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Diesel SPA v Bontton Sdn Bhd

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COURT OF APPEAL (PUTRAJAYA) — CIVIL APPEAL NO W-02-(IPCV)(A)-1594–08 OF 2016
ABDUL RAHMAN SEBLI, MARY LIM AND SURAYA OTHMAN JJCA
18 JUNE 2020

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Trade Marks — Bona fide use of one's own name as trademark in one's goods — Whether such use was a right in law deserving of protection — Whether s 40(1)(a) of Trade Marks Act 1976 ('the TMA') enshrined doctrine of 'own name trade mark' and recognised right of a person to bona fide use his own name as trademark on his goods — Whether per s 40(1)(a) such user would not constitute infringement of another's registered trademark bearing same name — Whether s 40(1)(a) was an exception to the declaration in s 35(1) of TMA that proprietor of registered trademark had exclusive right to use that trademark in relation to his goods or services — Whether confusion that might inevitably result from two different parties using same trademark name was an unavoidable necessity — Whether user of 'own name trademark' was entitled to apply to court for declaration of non-infringement as s 40(1)(a) gave him the legal right to do so

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The appellant filed an originating summons ('OS') seeking, inter alia, a declaration that its bona fide use of its 'DIESEL' trademark on its goods did not infringe the respondent's registered trademarks bearing the same name in Class 25 as the appellant was merely using its own name as the trademark for its goods as permitted under the law. The appellant said that from the time it was incorporated in Italy in 1982, when it started out as a 'tiny jeans manufacturer', it had used the name 'DIESEL' as a trademark for its goods. Over time, as the appellant grew into a huge lifestyle company dealing in the manufacture, export, distribution and sale of a variety of goods and having scores of retail outlets all over the world, it began using variants of the 'DIESEL' mark but all of them contained the word 'DIESEL' or 'Diesel'. Having acquired considerable goodwill and reputation in that mark, the appellant embarked on a worldwide program to register its ownership of the 'DIESEL' trademark and its variants including in Malaysia where it had 25 trademark registrations in various Classes of goods. The OS came upon the heels of the appellant's move to commence sales and distribution in Malaysia of its products in Class 25 (clothing and footwear) — in which Class the respondent was the proprietor of four registered trademarks bearing the word 'DIESEL'. The appellant submitted that the declaration in the OS ought to be granted because s 40(1)(a) of the Trade Marks Act 1976 ('the TMA') permitted a person to use his own name in good faith as the trademark for his goods without thereby infringing another's registered trademark bearing the same name. The respondent

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A opposed the OS, arguing that it was an attempt to 'by-pass' the provisions of the TMA. The respondent said the appellant ought to have either sought its licence to use its registered 'DIESEL' trademark if it intended to enter the Malaysian market in Class 25 goods or it should have challenged the respondent's registered trademark in a rectification action. The respondent also B argued that the proviso to s 41 of the Specific Relief Act 1950 ('the SRA') precluded the appellant from obtaining the declaration sought because there were other reliefs that were available to the appellant instead of a declaration. The High Court dismissed the OS on the ground that the appellant had not shown 'legal entitlement' for a declaration under s 41 of the SRA; that the C appellant ought to have filed an application for expungement, and that there was inordinate and unexplained delay in the filing of the OS. The Court held that allowing the OS would be counter to the intent and purpose of the TMA, particularly, ss 35, 36 and 37. The court took the view that under s 35 of the TMA the owner of a registered trademark had the exclusive right to use its mark D (subject to certain exceptions not applicable in the instant case) and allowing the declaration would have the effect of negating or curtailing the respondent's rights and powers over its use of its registered trademark. The court ruled that s 40(1)(a) of the TMA could only be relied upon as a defence to a trademark E infringement action (of which there was none in the present case) and not as the basis for obtaining a declaration of non-infringement. The instant appeal was against the High Court's decision.

Held, unanimously allowing the appeal, setting aside the High Court's F decision and granting the declaration sought:

(1) The appellant was entitled to the declaration it sought. The doctrine of 'own name trade mark' existed in this country and it was implicit in s 40(1)(a) of the TMA which recognised the right of a person to bona fide G use his/her/its own name in trade and such use did not infringe another's trademark although the same was registered (see paras 111, 118 & 147).

(2) While s 35 of the TMA gave proprietors of registered trademarks the exclusive right to use the trademark, that entitlement was not absolute but was subject, inter alia, to the bona fide use by the owner of a name H using that name in the owner's goods or services (see paras 108 & 139).

(3) The right to use one's own name in one's goods was a legal entitlement or a right in law which satisfied the meaning of the term 'legal character' in s 41 of the SRA since all that was required was that the character, nature, I status or position was one that was recognised in law. Not only had the appellant more than satisfactorily met the conditions in s 40(1)(a) of the TMA and s 41 of the SRA, it was in the interests of justice and fairness that the appellant be entitled to use its own name in its own goods and be granted the declaration of non-infringement (see paras 145–146).

(4) The appellant had established that its intention to use its own mark and name was bona fide. The appellant had provided ample documentary evidence of the creation of its name and mark, its evolution and its numerous efforts in promoting its marks. The originality of creation of its distinctive name and mark was unquestionably genuine and its use thus far, though in different Classes, had been consistent. Now, the appellant proposed to use the same name and mark — its own name and mark — in a different class, Class 25. There was nothing objectionable in that, more so when the proposed class was in the same genre as its other Classes. The evidence was overwhelming that the appellant had used its own corporate name as its trade name and house mark for decades (see paras 133–134).

(5) Confusion of marks or similar marks was a necessary state, whether or not anticipated, and it had to be tolerated in deference to the better entitlement to use one's own name and to use it on one's own goods. Priority of use or registration did not deprive or displace the good-faith use of one's own name. The right or entitlement to use one's own name in one's goods or services was only curtailed by the presence of bad faith, subjectively assessed — and there was no suggestion or presence of such debilitating factors in the instant case (see para 140).

(6) The High Court erred in holding that s 40(1)(a) of the TMA was only available as a defence to an action for infringement of a trade mark. Such a construction read into s 40 of the TMA words which were not there and an intent and scope which could not reasonably be deduced, expressly or by inference. Section 40 generally, and s 40(1)(a) in particular, was not intended as a defence. The right or benefit conferred by s 40(1)(a) was not constrained by the need to establish threshold or pre-requisites such as proof of the existence of some threatened infringement action being brought before the remedy was available. The appellant was therefore not obliged to have initiated proceedings for expungement or rectification under s 45 of the TMA in order to qualify for a declaration of non-infringement (see paras 122, 128 & 141).

(7) The High Court erred in giving a restrictive interpretation to the court's powers to grant declaratory decrees under s 41 of the SRA, O 15 r 16 of the Rules of Court 2012 and the inherent jurisdiction of the court. As a matter of general principle: (a) there should be a liberal approach when it came to declaratory orders; (b) the court's powers to grant such decrees arose independently of the requirements of s 41 of the SRA; (c) unless there was clear evidence of abuse of process or express language excluding or prohibiting the grant of declaratory orders in a given set of circumstances, or even within the TMA itself, the court should recognise that declaratory orders performed a rather critical role in both public and

A private law; and (d) such decrees should be granted where the decree would resolve a question on differing or competing interests (see paras 43 & 69–70).

[Bahasa Malaysia summary

B Perayu memfailkan saman pemula ('OS') yang memohon, antara lain, satu deklarasi bahawa penggunaan tanda dagangan 'DIESEL' suci hati pada barangnya tidak melanggar tanda dagangan berdaftar responden yang mempunyai nama yang sama dalam Kelas 25 oleh kerana perayu hanya menggunakan namanya sendiri sebagai tanda dagang untuk barangnya C sebagaimana yang dibenarkan di bawah undang-undang. Perayu mengatakan bahawa sejak ia ditubuhkan di Itali pada tahun 1982, apabila ia bermula sebagai 'pengeluar seluar jeans kecil', ia telah menggunakan nama 'DIESEL' sebagai tanda dagang untuk barangnya. Seiring perjalanan waktu, ketika perayu berkembang menjadi syarikat gaya hidup besar yang berurusan dengan D pembuatan, eksport, pengedaran dan penjualan pelbagai barang dan memiliki banyak butik jualan di seluruh dunia, ia mulai menggunakan varian tanda 'DIESEL' tetapi semua daripadanya mengandungi perkataan 'DIESEL' atau 'Diesel'. Setelah memperoleh nama baik dan reputasi yang cukup besar, perayu memulakan program di seluruh dunia untuk mendaftarkan pemilikannya E terhadap tanda dagangan 'DIESEL' dan variannya termasuk di Malaysia di mana ia mempunyai 25 pendaftaran tanda dagang di pelbagai Kelas barangan. OS ini dikemukakan setelah langkah perayu untuk memulakan penjualan dan pengedaran produknya di Malaysia dalam Kelas 25 (pakaian dan kasut) — di mana dalam Kelas tersebut responden adalah pemilik empat tanda dagangan F berdaftar yang mengandungi perkataan 'DIESEL'. Perayu mengemukakan bahawa deklarasi dalam OS harus dibenarkan kerana s 40(1)(a) Akta Cap Dagangan 1976 ('ACD') membenarkan seseorang menggunakan namanya sendiri dengan suci hati sebagai tanda dagang untuknya barangnya tanpa melanggar tanda dagangan berdaftar orang lain yang mempunyai nama yang G sama. Responden menentang OS tersebut, dengan alasan bahawa ia adalah cubaan untuk 'memintas' peruntukan TMA. Responden mengatakan bahawa perayu semestinya telah memohon lesennya untuk menggunakan tanda dagangan 'DIESEL' yang didaftarkan sekiranya ia berniat memasuki pasaran Malaysia dalam barang Kelas 25 atau ia seharusnya mencabar tanda dagang H berdaftar responden dalam tindakan pembetulan. Responden juga berpendapat bahawa proviso peruntuka 41 Akta Relief Spesifik 1950 ('ARS') melarang perayu dalam mendapatkan deklarasi yang dimohoon kerana terdapat relief lain untuk perayu dan bukannya deklarasi. Mahkamah Tinggi menolak OS dengan alasan bahawa perayu tidak menunjukkan 'hak I undang-undang' untuk deklarasi di bawah s 41 ARS; bahawa perayu seharusnya memfailkan permohonan pembatalan, dan bahawa terdapat kelewatan berlebihan dan tidak dapat dijelaskan dalam pemfailan OS. Mahkamah memutuskan bahawa dalam membenarkan OS adalah bertentangan dengan maksud dan tujuan ACD, khususnya ss 35, 36 dan 37.

Mahkamah berpendapat bahawa di bawah s 35 ACD pemilik tanda dagang berdaftar mempunyai hak eksklusif untuk menggunakan tandanya (tertakluk kepada pengecualian tertentu yang tidak terpakai dalam kes ini) dan membenarkan deklarasi tersebut akan mengakibatkan penolakan atau pengurangan hak dan kuasa responden atas penggunaan tanda dagangannya yang berdaftar. Mahkamah memutuskan bahwa s 40(1)(a) ACD hanya dapat digunapakai sebagai pembelaan terhadap tindakan pelanggaran tanda dagang (yang mana tidak berlaku dalam kes ini) dan bukan sebagai asas untuk mendapatkan deklarasi untuk ketidaan pelanggaran. Rayuan semasa adalah terhadap keputusan Mahkamah Tinggi.

Diputuskan, dengan sebulat suara membenarkan rayuan, mengetepikan keputusan Mahkamah Tinggi dan membenarkan deklarasi yang dimohon:

(1) Perayu berhak untuk deklarasi yang dimohonnya. Doktrin 'own name trade mark' wujud di negara ini dan ianya secara tersirat dalam s 40(1)(a) ACD yang mengiktiraf hak seseorang suci hati untuk menggunakan namanya sendiri dalam perdagangan dan penggunaan sedemikian tidak melanggar tanda dagangan orang lain walaupun yang sama telah didaftarkan (lihat perenggan 111, 118 & 147).

(2) Walaupun s 35 ACD memberikan hak eksklusif kepada pemilik tanda dagang berdaftar untuk menggunakan tanda dagangan, hak tersebut tidak mutlak tetapi tertakluk, antara lain, kepada penggunaan yang suci hato oleh pemilik nama yang menggunakan nama tersebut di barangan atau perkhidmatan pemilik (lihat perenggan 108 & 139).

(3) Hak untuk menggunakan nama sendiri dalam barang-barang seseorang adalah hak perundangan atau hak dalam undang-undang yang memenuhi makna istilah 'sifat di sisi undang-undang' dalam s 41 ARS kerana kesemua yang diperlukan adalah watak, sifat, status atau kedudukan adalah salah satu yang diakui dalam undang-undang. Perayu tidak hanya memenuhi syarat dalam s 40(1)(a) ACD dan s 41 ARS, tetapi demi kepentingan keadilan dan kewajaran, perayu juga berhak menggunakan namanya sendiri pada barangan sendiri dan dibenarkan deklarasi untuk ketiadaan pelanggaran (lihat perenggan 145–146).

(4) Perayu telah membuktikan bahawa niatnya untuk menggunakan tanda dan namanya sendiri adalah suci hati. Perayu telah memberikan bukti dokumentari lebih dari mencukupi mengenai penciptaan nama dan tandanya, perubahan dan banyak usaha dalam mempromosikan tanda-tandanya. Keaslian penciptaan nama dan tanda khasnya tidak diragukan lagi asli dan penggunaannya setakat ini, walaupun dalam Kelas yang berbeza, tetap konsisten. Sekarang, perayu mencadangkan untuk menggunakan nama dan tanda yang sama — nama dan tanda sendiri — di kelas yang berbeza, Kelas 25. Tidak ada yang bantahan dalam hal tersebut, lebih-lebih lagi ketika kelas yang dicadangkan berada dalam

genre yang sama dengan Kelas yang lain. Keterangan tersebut sangat besar bahawa perayu telah menggunakan nama korporatnya sendiri sebagai nama dagang dan tanda hartanya selama beberapa dekad (lihat perenggan 133–134).

(5) Kekeliruan tanda atau tanda serupa adalah keadaan yang perlu, sama ada dijangka atau tidak, dan harus ditoleransi dengan memperhatikan hak yang lebih baik untuk menggunakan nama seseorang dan menggunakannya pada barang milik seseorang. Keutamaan penggunaan atau pendaftaran tidak melucutkan hak atau mengganti penggunaan nama sendiri dengan suci hati. Hak atau kelayakan untuk menggunakan nama sendiri dalam barangan atau perkhidmatan seseorang hanya dikurangkan oleh wujudnya niat buruk, dinilai secara subjektif - dan tidak ada cadangan atau kewujudan faktor-faktor yang melemahkan dalam kes semasa (lihat perenggan 140).

(6) Mahkamah Tinggi telah terkhilaf dalam memutuskan bahawa s 40(1)(a) ACD hanya tersedia sebagai pembelaan terhadap tindakan pelanggaran tanda dagang. Pembacaan secara konstruktif sedemikian terhadap pada perkataan di s 40 ACD yang mana tidak ada dan niat dan skop yang tidak dapat disimpulkan secara wajar, secara tersurat atau dengan kesimpulan. Seksyen 40 secara umumnya, dan s 40(1)(a) khususnya, tidak dimaksudkan sebagai pembelaan. Hak atau faedah yang diberikan oleh s 40(1)(a) tidak dihadkan oleh keperluan untuk menetapkan ambang atau prasyarat seperti bukti kewujudan beberapa tindakan pelanggaran yang dibawa sebelum remedi tersebut tersedia. Oleh itu, perayu tidak mempunyai tanggungjawa untuk memulakan proses pembatalan atau pembetulan di bawah s 45 ACD untuk memenuhi syarat untuk deklarasi ketiadaan pelanggaran (lihat perenggan 122, 128 & 141).

(7) Mahkamah Tinggi telah terkhilaf dalam memberikan tafsiran yang strik terhadap kuasa Mahkamah dalam membenarkan perintah deklarasi berdasarkan s 41 ARS, O 15 r 16 Kaedah-Kaedah Mahkamah 2012 dan bidang kuasa sedia ada mahkamah. Sebagai perkara prinsip umum: (a) ianya harus mempunyai pendekatan liberal berkenaan dengan perintah deklarasi; (b) kuasa mahkamah untuk membenarkan perintah tersebut bangkit secara bebas berdasarkan kehendak s 41 ARS; (c) kecuali sekiranya terdapat bukti penyalahgunaan proses atau perkataan jelas yang mengecualikan atau melarang pemberian perintah deklarasi dalam keadaan tertentu, atau bahkan dalam ACD tersebut sendiri, mahkamah harus mengakui bahawa perintah deklarasi memainkan peranan yang kritikal dalam undang-undang awam dan swasta; dan (d) perintah tersebut harus dibenarkan di mana perintah tersebut akan menyelesaikan persoalan mengenai kepentingan yang berlainan atau bertentangan (lihat perenggan 43 & 69–70).]

Cases referred to

Angoves Pty Ltd v Johnson & Ors [1982] 43 ALR 349, FC (refd)
Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd [2008] MLJU 1101; [2009] 8 CLJ 97, HC (refd)
Attorney General of Hong Kong v Zauyah Wan Chik & Ors & another action [1995] 2 MLJ 620, CA (refd)
Baume & Co Ltd v AH Moore Ltd [1958] All ER 113; [1958] Ch 13, CA (refd)
Baxco United Corporation Sdn Bhd v Atlas Corporation Sdn Bhd [2003] MLJU 341; [2003] 7 CLJ 157, HC (refd)
Burgess v Burgess (1853) 3 De GM & G 896 (refd)
Dato Menteri Othman bin Baginda & Anor v Dato Ombi Syed Aiwi bin Syed Idrus [1981] 1 MLJ 29, FC (refd)
Government of Malaysia v Lim Kit Siang [1988] 2 MLJ 12, SC (refd)
JJ Craig Ltd v EA Craig and Henry Craig [1922] NZLR 199, SC (refd)
John Brinsmead & Sons Limited v Edward George Stanley Brinsmead (1913) 30 RPC 489, ChD (refd)
Joseph Rodgers & Sons Limited v WN Rodgers & Company (1924) 41 RPC 277, ChD (refd)
Majlis Agama Islam Selangor v Bong Boon Chuen & Ors [2009] 6 MLJ 307, FC (refd)
Malaysian Trade Union Congress & Ors v Menteri Tenaga, Air dan Komunikasi & Anor [2014] 3 MLJ 145, FC (refd)
Marengo v Daily Sketch and Sunday Graphic Limited (1948) 65 RPC 242, HL (refd)
Mercury Communications Limited v Mercury Interactive (UK) Ltd [1995] FSR 840 (refd)
Messier-Dowty Ltd v Sabena SA (No 2) [2001] WLR 2040, CA (refd)
Nokia Corp v InterDigital Technology Corp [2006] EWHC 802 (Pat), ChD (refd)
Parker-Knoll Limited v Knoll International Limited [1962] RPC 265, HL (refd)
Permodalan MBF Sdn Bhd v Tan Sri Datuk Seri Hamzah bin Abu Samah & Ors [1988] 1 MLJ 178, SC (refd)
Rainforest Coffee Products Pte Ltd v Rainforest Café Inc [2000] 1 SLR (R) 725, CA (refd)
Skyscape Cloud Service Ltd v Sky Plc & Others [2016] EWHC 1340 (folld)
Tan Sri Haji Othman Saat v Mohamed bin Ismail [1982] 2 MLJ 177, FC (refd)
The Audience Motivation Company Asia Pte Ltd v AMC Live Group China (S) Pte Ltd [2016] 3 SLR 517; [2016] SGCA 25, CA (refd)
Turton v Turton (1889) 42 Ch D 128, CA (refd)
Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd [2012] 6 MLJ 609; [2012] 6 MLRA 629, FC (refd)

Legislation referred to

Civil Procedure Rules [UK]
Patents Act 1977 [UK]
Patents Act 1983 s 62(1)
Rules of Court 2012 O 15 r 16
Rules of the Supreme Court 1957 O 14, O 25 r 4
Specific Relief Act 1950 s 41
Trade Marks Act 1938 [UK] ss 8, 21
Trade Marks Act 1955 [AU] s 64(1)(a) Parts A, D
Trade Marks Act 1976 ss 10, 19(3), 20, 21, 30, 31, 32, 33, 34, 35, 35(1)(a), (1)(b), 36, 37, 38, 38(1), 39, 40, 40(1)(a), 45, Parts VI, VIII
Trade Marks Act [SG] s 35

Appeal from: Originating Summons No 24IP-28–06 of 2015 (High Court, Kuala Lumpur)

Ambiga Sreenevasan (Janini Rejeswaran, Jasdev Singh a/l Jaswant Singh and Amanda Lok I Hiu with her) (Jasdev Chambers) for the appellant.
Kok Pok Chin (Ng Pau Chze with him) (PC Kok & Co) for the respondent.

Mary Lim JCA (delivering judgment of the court):

[1] This appeal concerns several novel issues, particularly on whether the court has discretionary powers under s 41 of the Specific Relief Act 1950 ('the SRA'); O 15 r 16 of the Rules of Court 2012 ('the RC') and/or inherent jurisdiction to grant, amongst others, a negative declaration; and whether the court should grant recognition of trade mark under the 'own name doctrine'.

[2] The High Court was disinclined to grant the orders sought and the originating summons was dismissed.

FACTUAL BACKGROUND

[3] The factual backdrop is culled from the affidavits filed and exchanged between the parties. The appellant filed a total of five affidavits and affidavits-in-reply while the respondent filed four.

[4] This is the appellant's version on how the mark or name 'DIESEL' or 'Diesel' came to pass.

[5] In 1978, Renzo Rosso founded the appellant company, Diesel SpA. He coined the mark and named the company 'Diesel' after being inspired by the oil crisis that affected the world at that time. The details of how Mr Rosso came to be so inspired may be found in a book titled 'Be Stupid for Successful Living'

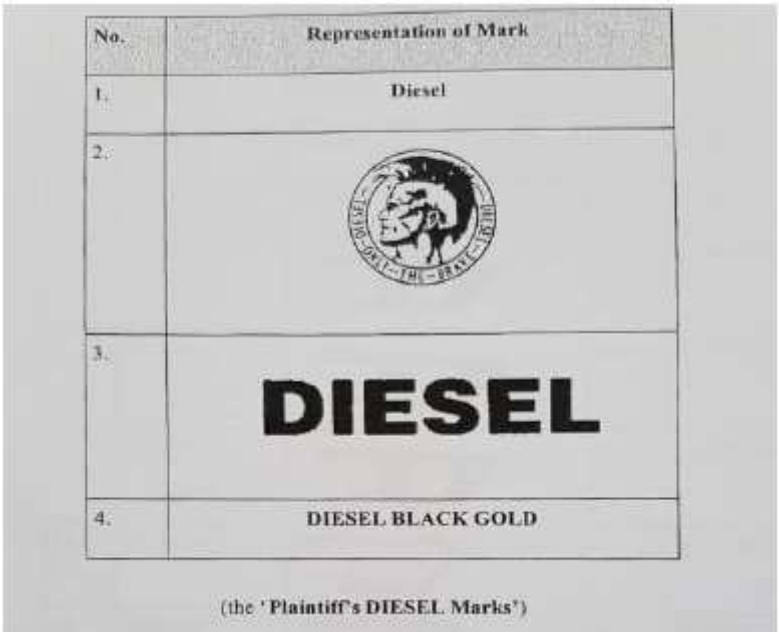
that Renzo Rosso wrote about himself and how he started Diesel SpA. Although so titled, it is anything but that; its reverse psychology urging and motivating the reader to chase or to follow their dreams fearlessly and to believe in their abilities, rather than to conform to societal norms. Guido Corbetta, Professor of Corporate Strategy at Rosconi University, Milan, in the preface to the book wrote:

> I cannot hide my fondness for entrepreneurs, for people who risk what they have in order to chase a dream that comes straight from the heart. I admire their determination, their willingness to work hard, their ability to stay a step ahead of everyone else, their commitment to never playing it safe and accepting the possibility of failure. I like them because they make real contributions to improving the world in which we live. Renzo Rosso is a true entrepreneur, who, in a little over thirty years, has created an international company, and in an area Americans once seemed destined to dominate forever. He achieved this through trial and error, all based on his conviction that 'playing it safe' doesn't lead to innovation, while risk leads to evolution'. ... Renzo Rosso isn't literally stupid; he doesn't; fit the dictionary definition of a person who 'possesses or reveals very low intelligence'. But the word 'stupid' is of Latin origin, and it's related to the verb 'to stupefy'. So it seems clear to me why Rosso writes, 'in the future, when the 'Be Stupid' ad campaign is over, the philosophy that inspired it will remain inscribed in Diesel's DNA'. His is a philosophy that aims to teach people to be amazed by what happens and to stupefy others.

[6] Renzo Rosso incorporated the appellant as a private limited liability company in Italy in 1982. It started off as a 'tiny jeans manufacturer', a company involved in manufacturing, exporting, distributing, offering for sale and selling a wide-ranging collection of jeans, clothing and accessories using the mark, 'DIESEL'. It has since expanded and evolved into a lifestyle company with products beyond clothing and apparel products; covering footwear, watches, jewelry, eyewear, fragrances, small leather goods, luggage, helmets, headphones, bikes, motorbikes as well as a complete home collection. Its target consumers are the youths.

[7] The appellant is now one of Italy's leading business enterprises with a turnover of over USD1 billion. It has over 5,000 retail points of sales and 300 single-branded Diesel stores in more than 80 countries around the world, starting out in Europe in 1978 before expanding to the United States of America in 1979 and by 1982, the appellant's goods bearing the mark 'DIESEL' was already being exported to and sold in Asia. Since 2002, the appellant has become part of the holding company OTB (Only The Brave), also founded by Renzo Rosso. OTB is the parent company to several other fashion brands such as 'Maison Martin Margiela', 'Marni' and 'Victor & Rolf'.

[8] Mr Rosso created the trade mark 'DIESEL' which over the years has evolved with the following variants, collectively known as the 'plaintiff's Diesel marks':



No.	Representation of Mark
1.	Diesel
2.	
3.	DIESEL
4.	DIESEL BLACK GOLD

(the '**Plaintiff's DIESEL Marks**')

[9] This mark, DIESEL, created in 1978 is the 'central theme' of the appellant's brand; forming the 'key, essential, dominant and distinguishing feature' of its corporate or trade name; it is the appellant's 'house mark', most valued and is used in relation to the entire range of its goods. Mr Rosso explained in his book that one of the variants, the 'Mohican Device', created in 1981, combined the image of an Indian American with a modern punk warrior — '… the perfect India ink drawing. It was the head of an American Indian, but not just any American Indian — this was a punk Indian Mohican'. The mark has since become an 'iconic Diesel image'.

[10] As the proprietor and common law owner of the plaintiff's Diesel marks, worldwide, the appellant took steps to protect its rights in the 'plaintiff's Diesel marks' by embarking of a worldwide trade mark filing program, owning at the time of filing of the originating summons more than 1429 trademark registrations and applications around the globe, including Malaysia. Its mark 'DIESEL' in the United States of America bearing registration number 1564710 in Class 25 of the Nice International Classification of Goods and Services (ICGS) dates back to 24 October 1978.

[11] The appellant has expended substantial sums of money to advertise and promote the plaintiff's Diesel marks throughout the world, both online and conventional, generating thus goodwill and reputation of its business, and winning accolades and awards in its course. In these promotional campaigns, the appellant frequently adopted themes, one of which was the theme 'consumer products make better living', popular in the 50s to create 'DIESEL — FOR SUCCESSFUL LIVING' campaigns. The appellant claimed that this reputation and goodwill subsisting in the business in connection with which the plaintiff's Diesel marks are used is of public knowledge in that when the plaintiff's Diesel marks are used, they indicate to the trade and public alike that the goods are the appellant's goods and that they are the trend setting high quality goods that the appellant's goods have become famous for. In fact, Mr Rosso explained in his book 'Being Stupid' about its ad campaigns, that:

> Diesel has run many ad campaigns. Each campaign has, at least in part, expressed the essence of this brand: sexy, provocative, eccentric, ironic, at times bewildering, though always fun and careful never to under estimate people's intelligence.
>
> One day, however, we launched a campaign with the tagline, 'Be Stupid'. The idea was simple; to transform our way of working and thinking into a manifesto. 'Be Stupid' means doing anything reasonable people tell you not to do: be bold, be daring, push yourself to the limit, break the rules, follow your instinct and your heart, do something because you like doing it and don't worry when people warn you about the consequences.
>
> It was a great idea, and it deeply touched fans of our brand and creative people around the world.
>
> I soon realize that 'Be Stupid' was more than a mere ad campaign: like another slogan of ours, 'For Successful Living,' it perfectly captured the spirit of our company. 'Be Stupid' is more than a slogan, it's what we are.
>
> 'Be Stupid' is an empowering philosophy. In everything we do, we should ask ourselves if the stupidity factor is high enough. Are we really being bold enough to have an impact on the market? Or are we compromising?

[12] The appellant is also one of the pioneer companies to practice e-commerce through its 'Virtual Stores' and later online stores. The appellant has also been extensively involved in social and humanitarian work worldwide.

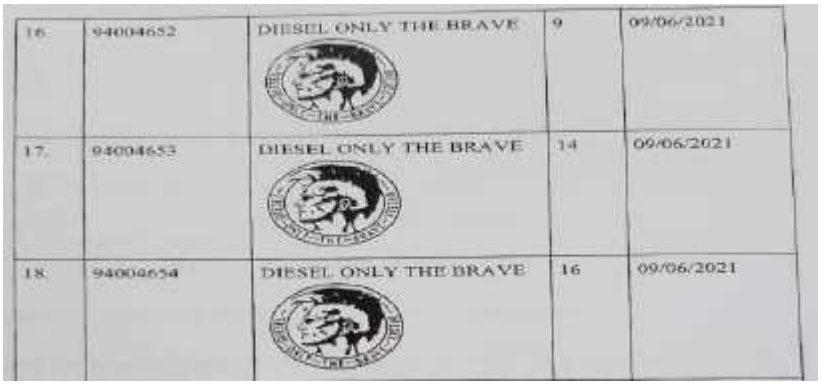
[13] The appellant's case is that these extensive and intensive advertisements, promotions, goodwill and reputation extend to Malaysia where the appellant's eyewear and perfume products have been imported, distributed and sold here since 2009. The consumers in Malaysia would in any case be exposed to the appellant's goods when overseas, say in Singapore, Phuket and Bangkok where the appellant has outlets, or through all the other forms of promotions and advertisements.

[14] The appellant's case is that as a result of its trans-border acts of trade, numerous registrations and applications, extensive usage, promotions and advertisements and online presence on websites and portals regarding its goods bearing the plaintiff's Diesel marks, the plaintiff's Diesel marks are associated and/or identified with the appellant and have become distinctive of the appellant and/or distinctive of and identified with the goods of the appellant and of the goods of their manufacture and of no others. The appellant's worldwide sales figures of goods bearing the plaintiff's Diesel marks for the years 1979 to 2012 were then set out in Table 4 of its supporting affidavit together with Table 5 setting out its expenditure on advertising and promotional activities. As such, the appellant has a significant reputation and goodwill in the plaintiff's Diesel marks, both globally and via spillover reputation in Malaysia. The appellant claimed that it has thus acquired common law proprietary rights in the plaintiff's Diesel marks entitling them to the exclusive use of these marks.

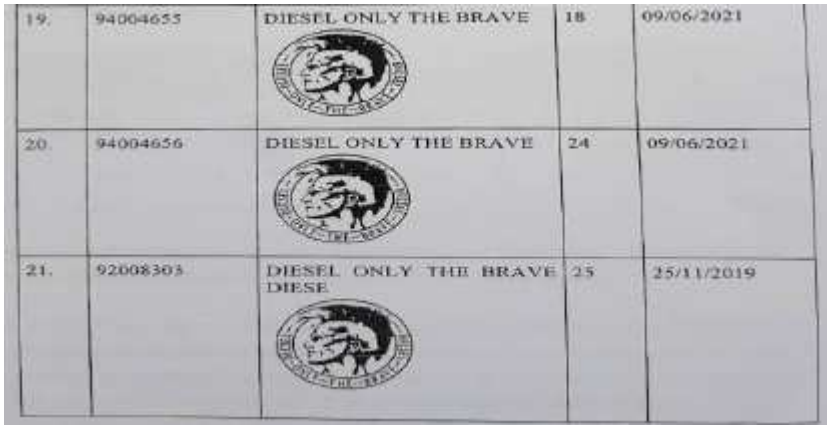
[15] Insofar as Malaysia is concerned, the appellant's presence and goods bearing the plaintiff's Diesel marks and variants of the mark are to be found in a total of 25 trade mark registrations in Classes 3, 9, 14, 16, 18, 24 and 25 (Registration Numbers: 97012661, 05028084 and 92008303) (plaintiff's Registered Diesel Trade Marks).

No.	Registration No.	Mark	Class	Expiry date
1.	94004645	DIESEL	3	09/06/2021
2.	94004646	DIESEL	9	09/06/2021
3.	94004647	DIESEL	14	09/06/2021
4.	94004648	DIESEL	16	09/06/2021
5.	94004649	DIESEL	18	09/06/2021
6.	94004650	DIESEL	24	09/06/2021
7.	97012659		9	05/09/2024
8.	97012660		18	05/09/2024
9.	97012661		25	05/09/2024

10.	05018081		9	25/10/2015
11.	05018082		14	25/10/2015
12.	05018083		18	25/10/2015
13.	05018084		25	25/10/2015
14.	05018085		3	25/10/2015
15.	94004651	DIESEL ONLY THE BRAVE	3	09/06/2021



16.	94004652	DIESEL ONLY THE BRAVE	9	09/06/2021
17.	94004653	DIESEL ONLY THE BRAVE	14	09/06/2021
18.	94004654	DIESEL ONLY THE BRAVE	16	09/06/2021



19.	94004655	DIESEL ONLY THE BRAVE	18	09/06/2021
20.	94004656	DIESEL ONLY THE BRAVE	24	09/06/2021
21.	92008303	DIESEL ONLY THE BRAVE DIESE	25	25/11/2019

22.	08006140	DIESEL BLACK GOLD DIESEL BLACK GOLD	3	28/03/2018
23.	08006141	DIESEL BLACK GOLD DIESEL BLACK GOLD	9	28/03/2018
24.	08006142	DIESEL BLACK GOLD DIESEL BLACK GOLD	14	28/03/2018
25.	08006143	DIESEL BLACK GOLD DIESEL BLACK GOLD	18	28/03/2018

(the 'Plaintiff's Registered DIESEL Marks')

[16] The appellant, however, intends to commence sales and distribution in Malaysia of its products using its plaintiff's Diesel marks in Class 25, for clothing and footwear. And, this is where the respondent comes in.

[17] The respondent, Bontton Sdn Bhd also has goods bearing the word 'Diesel'; these goods being in Class 25. The respondent is in the business of retailing and distribution of the 'Bontton' brand of ready-made casual wear and related accessories. It is a wholly owned subsidiary of Asia Brands Bhd (ABB), a public listed company which trades in goods of famous trade marks and brands, locally and worldwide.

[18] The respondent has four registered trade marks in Class 25 bearing the word 'diesel' (Defendant's Registered Diesel Trade Marks):

No	Registration No (date of registration)	Mark	Class	Specification of goods
1.	85002483 (10 June 1985)		25	Clothings only included in Class 25
2.	99011519 (16 November 1999)	DIESEL	25	Footwear; shoes; sport shoes; boots; sandals; slipper; socks; sun visor; underwear; swimwear and headgear; all included in Class 25

3.	98009652 (18 August 1998)		25	Articles of clothing for men; women and children; pants; cotton pants; slacks, uniforms; singlets; t-shirts; knitwear (clothing); woven shirts; track bottom; vests; sweaters; jackets; bermuda jeans; all included in Class 25
4.	06017528 (27 September 2006)		25	Bandanas (neckerchiefs); beach clothes; clothing; clothing for gymnastics; coats; headbands (clothing); headgear for wear; jackets (clothing); jerseys (clothing); jumpers (shirt fronts); knitwear (clothing); leggings; outerclothing; overalls; pullovers; pyjamas; ready made clothing; shirts; singlets; slips; undergarments; socks; sport jerseys; sweaters; swimsuits; teeshirts; tights; trousers; underclothing; underpants; vests; footwear; headgear; all included in Class 25

[19] But, these marks were not the respondent's at the beginning. On 10 June 1985, Diesel Trading Sdn Bhd ('DTSB') registered the 'diesel' trade mark, registration number: 85002483. DTSB first used the registered trade mark in 1986. According to the respondent, the word 'diesel' was chosen because 'the word means fuel which provides energy, power and strength', and the younger generation, its primary consumer target prefers products associated with such ideas or concepts. In 1995, DTSB assigned the registered trade mark to the respondent. Three more registrations using the word 'diesel' followed in Class 25 to which the appellant opposed their registration; but the challenge was later not pursued. The respondent has three more pending applications for registration of the diesel trade mark for goods in Classes 9, 14 and 18.

[20] The respondent appointed Diesel Marketing Sdn Bhd ('DMSB') and later BUM Marketing Sdn Bhd ('BUMB') to distribute and sell its goods bearing the defendant's registered Diesel Trade Marks. Like the appellant, the respondent claimed that it had expended substantial sums of money on

advertising, promoting and marketing its goods bearing the defendant's registered Diesel Trade Marks. Like the appellant, the respondent also claimed that as the common law proprietor of the defendant's registered Diesel Trade Marks in Malaysia, it thus owns goodwill and reputation in relation to the use of the Diesel trade mark as this mark is distinctive of its goods.

[21] In 2000, the appellant appointed Apcott PP (M) Sdn Bhd ('Apcott') as the sole distributor of its goods bearing the plaintiff's Diesel marks in Class 18. Apcott advertised and sold the appellant's goods in that Class. In January 2002, the respondent together with DMSB sued Apcott vide Kuala Lumpur High Court Civil Suit No D5-22–58 of 2002 for, inter alia, infringement of its Registered Diesel Trade Marks in goods in Class 25; passing off the appellant's business as the respondent's business through Apcott's sales of Class 18 goods; rectification of six of the plaintiff's registered Diesel Trade Marks in Classes 9, 14, 18 and 25, either to expunge the registration or to remove the word 'DIESEL' in the registration ('2002 suit').

[22] The respondent obtained an interim injunction against Apcott in the 2002 Suit.

[23] The appellant intervened in the 2002 suit and filed a counterclaim against the respondent and DMSB alleging:

(a) infringement of two of the plaintiff's registered Diesel Trade Marks for goods in Class 18;

(b) passing off the business of the respondent and DMSB as the appellant's business through the sales of goods in Classes 18 and 25; and

(c) expungement of one of the defendant's registered Diesel Trade Marks.

[24] None of the parties took the proceedings in the 2002 Suit any further beyond what has been set out above.

[25] The appellant then filed the present originating summons seeking the following:

(a) a declaration that the appellant is the bona fide proprietor of the plaintiff's Diesel marks;

(b) a declaration that the use in good faith by the appellant of the plaintiff's Diesel marks do not infringe the defendant's registered Diesel Trade Marks as it would be considered as use by the appellant of its own name and/or its own trade marks; and

(c) an order that the appellant is entitled to use the plaintiff's DIESEL Marks in relation to goods in Class 25 of the ICGS and other relevant purposes.

[26] The application was opposed. An exchange of affidavits followed between the parties.

[27] The appellant's case is that it is entitled to the declaratory orders filed because at the end of the day, it is simply using its own name. From the time the appellant was established using the trading name of 'Diesel', it had adopted the trade mark 'DIESEL' as part of its family of marks. Coupled with the goodwill and reputation that it had acquired over the past 38 over years, the appellant submitted that it is entitled to the orders framed. That use of its own name and the plaintiff's Diesel marks in their own trading style and trade dress will always be associated with the appellant and no other. More importantly, that use of its own name is done in good faith.

[28] It is the appellant's submission that the own name doctrine is actually enshrined within s 40(1)(a) of the Trade Marks Act 1976 ('the TMA 1976'); that this course of action is not prohibited by s 38(1) of the TMA 1976; and that the appellant is entitled to take this approach even in the absence of a trade mark infringement action. This follows a line of decisions from the UK and Singapore: *Baume & Co Ltd v AH Moore Ltd* [1958] All ER 113; *Parker-Knoll Limited v Knoll International Limited* [1962] RPC 265; *Mercury Communications Limited v Mercury Interactive (UK) Ltd* [1995] FSR 840; *Rainforest Coffee Products Pte Ltd v Rainforest Cage Inc* [2000] 1 SLR (R) 725; *The Audience Motivation Company Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517; [2016] SGCA 25; *JJ Craig Ltd v EA Craig and HR Craig* [1922] NZLR 199; *Angloves Pty Ltd v Johnson & Ors* 43 AL 349; *Skyscape Cloud Service Ltd v Sky Plc & Others* [2016] EWHC 1340.

[29] In fact, such an approach has found favour with the courts here; see *Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd* [2008] MLJU 1101; [2009] 8 CLJ 97. In that case, the High Court granted the plaintiff the declaratory orders couched in negative terms even though there was no trade mark infringement suit filed.

[30] The respondent argued that the originating summons was improper and incorrectly framed. The appellant was not seeking a rectification of a registered trade mark or alleging any trade mark infringement or passing off. The application for the declaratory orders was really for a collateral purpose of by-passing the statutory provisions of the Trade Marks Act 1976 ('the TMA 1976'). This unprecedented step by the appellant was suggested to be 'unsafe and dangerous'; that it brings adverse consequences which should not be

condoned; and that discretion ought not to be exercised in favour of the appellant who has deliberately 'short-circuited' and by-passed the statutory provisions of the TMA 1976.

[31] It was also suggested that if the court granted the appellant the orders sought, it would 'unfairly assume and take over the express statutory powers of the Registrar of Trade Marks provided for under the TMA 1976; that the courts would be forced to make decisions in areas which it may not have jurisdiction to do so because those powers to grant ownership to a trademark and the right to use a trade mark through registration under the TMA 1976 resides with the registrar of trade marks.

[32] It was further suggested that the appellant's application was actually a 'tactical manoeuvre'; that the appellant should really be seeking from the respondent a licence to use the defendant's registered Diesel Trade Marks if it intends to enter the Malaysian market in Class 25 goods (Clothing). Alternatively, the appellant should challenge the respondent's trade marks by way of a rectification action. Since there are more efficacious and suitable reliefs available to the appellant, s 41 of the Specific Relief Act 1950 ('the SRA 1950') prohibits the grant of the declaratory orders sought.

[33] The respondent also argued that the injunction granted against Apcott was still valid and subsisting, and that it would be an abuse of process if the declaratory orders were granted.

DECISION OF THE HIGH COURT

[34] Although the learned judicial commissioner (learned JC, now judge) rejected the respondent's argument that the interim injunction was still enforceable and that it was an abuse of court process to file the originating summons, the learned JC nevertheless dismissed the appellant's application. The High Court was disinclined to exercise discretion under s 41 of the SRA 1950 for the following principal reasons:

(a) the appellant failed to show legal entitlement under s 41 of the SRA 1950;

(b) the appellant ought to have filed an expungement application; and

(c) there was inordinate unexplained delay in the filing of the originating summons.

[35] The learned JC was also of the view that ss 34 to 37 of the TMA 1976 are not subject to s 40(1)(a) of the TMA 1976. Consequently, a proprietor of a registered trade mark can assign the registered trade mark even if the mark consists of a name of another person. Furthermore, a proprietor of a registered

trade mark has exclusive right to use the registered trade mark under s 35 subject only to the conditions in ss 35(1)(a) and (1)(b); and those exceptions did not present in the originating summons.

[36] According to the learned JC, s 40(1)(a) was intended as a statutory defence to a trade mark infringement action; and not to confer the right or entitlement as suggested by the appellant. Because there was no trade mark infringement action, the appellant therefore, could not rely on s 40(1)(a). The learned JC found support for this from the cases cited by the appellant where the issue of own name rights were put forth as defences and not as independent causes of action. The learned JC opined that if s 40(1)(a) was given the effect which was wider than as a statutory defence, the learned JC held that 'this will lead to an absurdity wherein all the rights of an owner of a registered trade mark ... will be unlawfully curtailed, if not defeated, by paras (a) to (f) in s 40(1) TMA 1976'. This would 'unlawfully limit' the respondent's rights and powers as owner of the defendant's registered Diesel Trade Marks, and deprive the respondent of its rights in respect of the same; and allow the appellant to 'circumvent unlawfully the expungement procedure as expressly provided in ss 37(1)(a) and (1)(c) read with s 45(1)(a) of the TMA 1976'.

[37] The learned JC also saw the expungement procedure as protective of the rights of owners of registered trade marks, especially those over seven years old; and unless there was an infringement or expungement exercise, s 40(1)(a) had no play and could not be invoked.

[38] The learned JC further agreed with the respondent that the TMA 1976 does not have provisions equivalent to s 62(1) of the Patents Act 1983; s 35 of the Trade Marks Act of Singapore; and s 21 of the Trade Marks Act 1938 of the United Kingdom. The courts can only grant a negative declaration in the terms prayed if Parliament amends our TMA 1976 along the lines of those provisions. Until then, the application was unsustainable and consequently dismissed.

OUR DECISION

[39] At the hearing before us, lead counsel for the appellant advised that the first and third prayers are not pursued for the purpose of this appeal but are reserved in respect of any other actions. We have made a record of that and understand that in essence, the appellant is pursuing this relief:

> Declaration that the use in good faith by the appellant of the plaintiff's Diesel marks do not infringe the Defendant's Registered Diesel Trade Marks as it would be considered as use by the appellant of its own name and/or its own trade marks.

A **[40]** This appeal calls for the consideration of the court's powers to grant declaratory relief but more specifically, whether the court has power to grant negative declaratory orders or in certain jurisdictions known as 'declaration of non-infringement' ('DNI'); and the law on the use of one's own name in business or trade.

B

Declaratory orders

[41] First, the court was invited to invoke its discretionary power under s 41 of the SRA 1950, O 15 r 16 Rules of Court 2012 and/or inherent jurisdiction C to grant the particular orders sought. We would at the outset express our agreement with the learned JC that the inherent jurisdiction of the court ought not to be invoked where there is express provision conferring such power/sufficient remedies. See the decisions of the apex court in *Permodalan MBF Sdn Bhd v Tan Sri Datuk Seri Hamzah bin Abu Samah & Ors* [1988] 1 D MLJ 178; and *Majlis Agama Islam Selangor v Bong Boon Chuen & Ors* [2009] 6 MLJ 307.

[42] That is however, not to say that the inherent jurisdiction of the court E should never be invoked at all in appropriate cases. As we will see, it is in the legal apprehension of the scope of s 41 and how discretion under that provision of the law is to be exercised that we find ourselves unable to agree with the learned JC. We also record that in appropriate circumstances, the inherent jurisdiction of the court may also be invoked to grant declarations of F non-infringement.

[43] We are of the view that the provisions of s 41 of the SRA 1950 and O 15 r 16 of the Rules of Court 2012 must be read carefully; that in the present appeal, the learned JC had given a rather restrictive interpretation and G construction to the court's powers to grant declaratory decrees under s 41, O 15 r 16 and the inherent jurisdiction of the court. We say so because the learned JC was not prepared to exercise discretion unless the appellant could establish 'legal entitlement' under s 41; giving the meaning of 'legal entitlement' in s 41 a somewhat narrow interpretation; and applying what we term, almost an H ouster like or exclusion of jurisdiction construction to the meaning and operation of the relevant provisions of the TMA 1976. It is our respectful view that this approach runs contrary to the case laws cited and relied on by the court.

I **[44]** First, s 41 of the SRA 1950 which reads as follows:

> *Discretion of court as to declaration of status or right*
>
> Any person entitled to any legal character, or to any right as to any property, may institute a suit against any person denying, or interested to deny, his title to the

character or right, and the court may in its discretion make therein a declaration that he is so entitled, and the plaintiff need not in that suit ask for any further relief:

Provided that no court shall make any such declaration where the plaintiff, being able to seek further relief than a mere declaration or title, omits to do so.

[45] The learned JC had relied on the decisions in *Dato Menteri Othman bin Baginda & Anor v Dato Ombi Syed Aiwi bin Syed Idrus* [1981] 1 MLJ 29 and *Government of Malaysia v Lim Kit Siang* [1988] 2 MLJ 12 to justify the dismissal of the application, that it was because the appellant did not meet the requisite conditions of s 41 to warrant the exercise of discretion. Both decisions being majority decisions of the apex court.

[46] With respect, we disagree on the understanding and application of those authorities.

[47] The power of the courts to grant declaratory orders is to be found in amongst others, the Specific Relief Act 1950, Rules of Court 2012, the specific legislation under consideration and of course, the inherent jurisdiction of the court. The grant is a matter of judicial discretion. As we examine the relevant case authorities for the proper approach to be taken when considering whether or how discretion is to be exercised, we will find that the approach and reading of s 41 of the SRA 1950 by the learned JC was unnecessarily restrictive and narrow, and warrants intervention by this court.

[48] The first case authority considered by His Lordship was the Federal Court decision in *Dato Menteri Othman bin Baginda & Anor v Dato Ombi Syed Aiwi bin Syed Idrus*. That appeal actually arose out of two striking out applications filed by the defendants under O 25 r 4 of the Rules of the Supreme Court 1957 and an application for an interim injunction by the plaintiff. The defendants had applied to strike out the plaintiff's statement of claim on the basis that the court had no jurisdiction to hear the matter because the dispute involved a question of adat and custom of Malays in the *luak* of Jelebu, Negri Sembilan; and, in the case of the second defendant, on the further ground that under the State Constitution of Negri Sembilan, he, as Ruling Chief, enjoyed legal immunity in his personal capacity. The defendants also alleged that the plaintiff's claim was scandalous, vexatious, frivolous and an abuse of process of the court.

[49] The application was dismissed by Abdul Hamid FJ (sitting in the High Court) who whilst refraining from dealing with the merits of the case held that there was a serious question to be considered on its merits; that O 25 r 4 should only be invoked in plain and obvious cases where the statement of claim disclosed no cause of action; and that there was no reason why the court should divest itself of its inherent jurisdiction to hear the case. The Court further

found that it had jurisdiction to entertain the action and that the second defendant did not enjoy legal immunity.

[50] The decision of the High Court was overturned by the Federal Court. There were five separate judgments written and it is the decision of Raja Azlan Shah Ag LP (as HRH then was) that was cited by the learned JC to say that the apex courts have decided that an applicant for a declaratory relief under s 41 should first show that he or she 'is entitled to any legal character, or to any right as to any property'. However, upon examination of all the judgments including the dissenting judgment of Suffian LP, we can find no discussion on s 41 at all.

[51] While it was true that the Federal Court advised restraint when considering whether or not to exercise discretion in granting the declaratory orders sought, and with respect, we hold that to be true in any exercise of judicial discretion, those remarks had particular meaning there because of the context involved. There, the court was invited to adjudicate on 'a grave and delicate issue' of the validity of the appointment of the 15th Undang of Jelebu:

> We are entrusted on a grave and delicate issue – whether or not to issue a declaration that the purported election of the 15th Undang of Jelebu is *ultra vires* the adat laws and the constitution of Luak of Jelebu.
>
> My first observation is that judges should adjudicate on such matters as the present with restraint and certainty not to emulate the quasi-legislative role of the United States Supreme Court. The power to grant a declaration should be exercised with a proper sense of responsibility and after a full realization that judicial pronouncements ought not to be used unless there are circumstances that properly call for their making. (See *Ibeneweka v Eguna* [1964] 1 WLR 219, 225)'
>
> What perhaps stands out about declaratory relief is the wide range of circumstances in which the procedure has been invoked already and the wide variety of cases in terms of subject matter where this type of proceedings has been used. It has now become a regular feature of litigation and Lord Denning was probably only anticipating a little when he said in*Pyx Granite Co Ltd v Ministry of Housing and Local Government* [1958] 1 QB 554, 571 that:
>
> > The wide scope of it can be seen from the speech of Viscount Kilmuir LC in *Vine v National Dock Labour Board* [1957] AC 468, 498 from which it appears that if a substantial question exists which one person has a real interest to raise, and the other to oppose, then the Court has a discretion to resolve it by a declaration, which it will exercise if there is good reason for so doing.
>
> Being discretionary, the remedy may, of course, be denied in appropriate cases. It may also be excluded by enactments. Some enactments expressly exclude the remedy (see *NTS Arumugam Pillai v Government of Malaysia*) where some of the cases are discussed), whereas the courts have to look behind the not very clear language of others in order to discover whether Parliament or some other enacting body had intended that result. In general the existence of another remedy is not sufficient to make a declaration unavailable but the courts may decide that that

other remedy is more appropriate to the circumstances. A

[52] As we shall see, it would be difficult to describe the issue in the instant appeal to be of a like nature or character. Be that as it may, not only was s 41 not discussed in *Dato Menteri Othman bin Baginda*, we find that in reminding to exercise the power to grant declarations 'with a proper sense of responsibility', that such orders are to be granted where 'there are circumstances that properly call for their making'; Raja Azlan Shah Ag LP clearly acknowledged the 'stand out' feature or characteristic of declaratory reliefs. And, it is this — 'the wide range of circumstances in which the procedure has been invoked already and the wide variety of cases in terms of subject matter where this type of proceedings has been used'. To the extent that it was described as a 'regular feature of litigation', granted because it is a 'good reason' to do so, in order to resolve a situation where a substantial question exists which one party has a real interest to raise, and the other party opposes that interest. B C D

[53] The operation and application of s 41 of the SRA 1950 thus did not arise in *Dato Menteri Othman*. Similarly, the issue in *Government of Malaysia v Lim Kit Siang* was not so much about the exercise of discretion under s 41; it was about the requisite locus standi for initiating public interest litigation and questioning decisions of governments and public authorities by the respondent, a Member of Parliament and the Leader of the Opposition. The respondent had sued the Government of Malaysia seeking a permanent injunction preventing the inking of a privatization agreement between the Government and United Engineers (M) Bhd in respect of the privatization of the North-South Highway and for a declaration that the letter of intent issued by the government to UEM was invalid. An interim injunction was granted. E F

[54] The appellant filed an application to set aside the interim injunction and to strike out the action on the ground that there was no reasonable cause of action disclosed, no locus standi, and that the action was vexatious, scandalous, frivolous and an abuse of the court's process. It was in that context, particularly in relation to the 'real crux of the matter', the issue of whether the respondent had the necessary locus standi that Hashim Yeop Sani SCJ made his observations that were quoted by His Lordship. G H

[55] But, if one looks at those observations, it will be noticed that the Supreme Court had endorsed the view and approach of the Federal Court in *Tan Sri Haji Othman Saat v Mohamed bin Ismail* [1982] 2 MLJ 177, a decision which we will return to shortly: I

> In this country, the principle was in fact correctly stated by the Federal Court in *Tan Sri Othman Saat v Mohamed bin Ismail* [1982] 2 MLJ 177 that the 'sensible approach' in a matter of locus standi in injunctions and declarations would be to regard it as a matter of jurisdiction, where there is an assertion of an infringement of

A a contractual or a proprietary right, the commission of a tort, a statutory right or a breach of a statute which affects the plaintiff's interest substantially or where the plaintiff has a genuine interest in having his legal position declared. Indeed, the principle enunciated there is consistent with the principle enunciated by Buckley J in *Boyce*. However, in my view the courts in this country are not authorised by law to go beyond this principle.

B

No doubt, s 41 of our Specific Relief Act 1950 is an old provision and may even be regarded as antiquated but it is still in the statute book as part of our law. In the Specific Relief Act, s 41 comes under the chapter, 'Declaratory Decrees' and deals with persons seeking declarations of status or right from the court. That section reads:

C

...

Section 41 does not sanction every form of declaration but only a declaration that the plaintiff is entitled to a specific legal character or to any right as to property. Therefore any person who has a 'right to any legal character' may bring an action against anyone who denies that right. The prerequisite for such a declaratory action is that the plaintiff must first establish that he qualifies as a person entitled to any legal character or to any right as to any property. The legal character or the right must exist at the time the action is instituted.

D

E

[56] We do not have the same issues here as locus standi and the non-availability of the particular remedy for the reasons relied on by the respondent here is wholly different from not having the competency or capacity to initiate a claim for any remedy. The decision in *Lim Kit Siang* has in any event been revisited by the Federal Court in *Malaysian Trade Union Congress & Ors v Menteri Tenaga, Air dan Komunikasi & Anor* [2014] 3 MLJ 145.

F

[57] The Federal Court decision of *Tan Sri Haji Othman Saat* remains good law. Although it, too, was a decision on the short and pivotal point of capacity to sue, it is the pronouncements on the recourse to s 41 of the SRA 1950 that is most relevant for this appeal:

G

It will be necessary at the outset to consider the scope of the power to grant declaratory orders and judgments. Chapters VI of the Specific Relief Act, 1950 deals with declaratory decrees and section 41 thereof provides for the discretion of the court as to declarations of status or right. Section 41 of the Specific Relief Act was textually adopted *totodem verbis* from s 41 of the Indian Specific Relief Act, 1877 (now section 34 of the Indian Specific Relief Act, 1963), and on an application of the law enunciated by the Privy Council and the Supreme Court of India in relation to the equivalent provisions in the Indian Specific Relief Act and Civil Procedure Code, *section 41 of the Specific Relief Act gives statutory recognition to a well–recognized type of declaratory relief and subjects it to a limitation but it cannot be deemed to exhaust every kind of declaratory relief or to circumscribe the jurisdiction of the courts to give declarations of right in appropriate cases falling outside it. The Court has power to grant such a decree independently of the requirements of the section, and such a declaration*

H

I

outside the purview of this statutory enactment will be governed by the general provisions of Order 15 rule 16 of the Rules of the High Court 1980 which will then apply (*Supreme General Films Exchange Ltd v His Highness Maharaja Sir Brijnath Singhji Deo of Maihar & Ors* AIR 19751810, following *Vemareddi Ramaraghava Reddy & Ors v Konduru Seshu Reddy & Ors* AIR 1967436 relying on the decisions of the Privy Council in *Fisher v Secretary of State for India in Council* (1899) 26 IA 16 and *Partab Singh v Bhabuti Singh* (1913) 40 IA 182).

Although counsel for the respondent indicated in the court below that he is proceeding under se 41 of the Specific Relief Act, this statutory provision cannot apply as no entitlement of the respondent to any legal character or status or right to property or denial thereof is in issue, and he now accepts in answer to us that the declarations are in fact sought under the provisions of O 15 ru 16 of the Rules of the High Court 1980 and not se 41 of the Specific Relief Act. In *Lim Cho Hock v Speaker, Perak Legislative Assembly* [1979] 1 MLRH 241; [1979] 2 MLJ 85, 87 it was held (at pa 87) that a plaintiff in an action under O 25 r 5 of the Rules of the High Court 1957 (now O 15 r 16 of the Rules of the High Court 1980) need only establish that his legal interests are peculiarly affected. Although it is not necessary for a plaintiff who seeks relief by way of a declaratory judgment to show that he has a present cause of action, *he must be somebody with such an interest in the subject-matter of the action as to justify his seeking relief* (Wilson, *Walton International (Offshore Services) Ltd v Tees & Hartlepools Port Authority* [1969] 1 Lloyds LR 120, 124 (at page 124)). *A private individual may sue for a declaration if he has a cause of action at common law or to protect a statutory right, or if he suffers or will suffer special damage as a result of the defendant's action.*

On a general consideration of the authorities it would seem that the plaintiff in proceedings for a declaration need do no more than establish that he has a 'real interest' in the suit.

The sensible approach in the matter of *locus standi* in injunctions and declarations would be that as a matter of jurisdiction, an assertion of an infringement of a contractual or a proprietary right, the commission of a tort, a statutory right or the breach of as statute which affects the plaintiff's interests substantially or where the plaintiff has some genuine interest in having his legal position declared, even though he could get no other relief, should suffice. (Emphasis added.)

[58] Although s 41 does not apply where the applicant has no entitlement to any legal character or status or right or denial to property, the Federal Court did not define what the terms 'legal character' mean. We believe it was because there was no assertion of any entitlement to begin with in that case, whether in a positive or a negative sense. Hence, there were no deliberations on the meaning and ambit of this requirement. Neither was this attempted by the Federal Court in *Dato Menteri Othman*.

[59] What the Supreme Court and the Federal Court did in all three decisions however, was to point out that declaratory reliefs have already been

granted to a 'wide range of circumstances ... and ... wide variety of cases in terms of subject matter'. We should heed the significance of that rider from the apex court.

[60] We can appreciate why the Federal Court laid down in no uncertain terms that the declaratory relief that is available under s 41 of the Specific Relief Act 'cannot be deemed to exhaust every kind of declaratory relief or to circumscribe the jurisdiction of the courts to give declarations of right in appropriate cases falling outside it'; that 'the Court has power to grant such a decree independently of the requirements of the section, and such a declaration outside the purview of this statutory enactment will be governed by the general provisions of Order 15 rule 16 of the Rules of the High Court 1980 which will then apply'. And where O 15 r 16 is concerned, the relief is available where the applicant can show that his rights or interests are substantially affected or where he establishes a real or genuine interest in having his rights or legal position declared. The intent being to provide resolutions to disputes and to do justice.

[61] Towards this end, the powers of the court to grant declaratory orders stem not from a single source, be it the SRA 1950 or the rules of procedure but also from its inherent jurisdiction. In *Attorney General of Hong Kong v Zauyah Wan Chik & Ors & another action* [1995] 2 MLJ 620, the Court of Appeal opined:

> That brings me to the next issue. Can this court grant the declaratory relief sought for? Further, even if we could, ought this court exercise its discretion and grant the declarations asked for? Upon both these questions, Mr Wilson of counsel for the Attorney General of Hong Kong and Sir Michael Ogden for the appellant, George Tan, stand on common ground in maintaining that this court has jurisdiction to declare the law of this country. They also are agreed that discretion ought to be exercised in favour of the grant of a declaration. I think that counsel are correct in both arguments.
>
> Now, the jurisdiction of a Malaysian court to grant declaratory relief springs from two sources. First there is the statutory basis to be found in s 41 of the Specific Relief Act 1950 which reads as follows:
>
> > Any person entitled to any legal character, or to any right as to any property, may institute a suit against any person denying, or interested to deny, his title to the character or right, and the court may in its discretion make therein a declaration that he is so entitled, and the plaintiff need not in that suit ask for any further relief:
> >
> > Provided that no court shall make any such declaration where the plaintiff, being able to seek further relief than a mere declaration or title, omits to do so.
> >
> > Explanation — A trustee of property is a 'person interested to deny' a title adverse to the title of someone who is not in existence, and for whom, if in existence, he would be a trustee.

The procedural adjunct to the statutory basis is to be found in O 15 r 16 of the Rules of the High Court 1980, which provides as follows:

> No action or other proceeding shall be open to objection on the ground that a merely declaratory judgment or order is sought thereby, and the Court may make binding declarations of right whether or not consequential relief is or could be claimed.

The alternative basis for the grant of declaratory relief — a jurisdiction of great antiquity — is the inherent jurisdiction of the court: *Kuluwante (An infant) v Government of Malaysia & Anor* [1978] 1 MLJ 92. It has long been recognized by Indian courts administering their Specific Relief Act 1877 (later revised and re-enacted in 1963) that s 42 of that enactment, which is identical to s 41 of our statute is not a complete code upon the subject of declaratory decrees.

In *Supreme General Films Exchange Ltd v Brijnath Singhji* AIR 1975 SC 1810, Beg J explained the scope of the declaratory jurisdiction in these words:

> *Kishori Lal*'s case AIR 1952 Punj 387 was cited to show that declaratory decrees falling outside s 42 of the Specific Relief Act are not permissible because s 42, Specific Relief Act is exhaustive on this subject. This view must be held to have been rejected by this court when it declared in *Vemareddi Ramaraghava Reddy v Konduru Seshu Reddy* 1966 Supp SCR 270 at p 277; AIR 1967 SC 436 at p 440:
>
> > In our opinion, s 42 of the Specific Relief Act is not exhaustive of the cases in which a declaratory decree may be made and the courts have power to grant such a decree independently of the requirements of the section. It follows, therefore, in the present case that the suit of the plaintiff for a declaration that the compromise decree is not binding on the deity is maintainable as falling outside the purview of s 42 of the Specific Relief Act.

The result is that s 42 merely gives statutory recognition to a well-recognized type of declaratory relief and subjects it to a limitation, but it cannot be deemed to exhaust every kind of declaratory relief or to circumscribe the jurisdiction of courts to give declarations of right in appropriate cases falling outside s 42. We think that the circumstances in which a declaratory decree under s 42 should be awarded is a matter of discretion depending upon the facts of each case. No doubt a complete stranger whose interest is not affected by another's legal character or who has no interest in another's property could not get a declaration under s 42, Specific Relief Act with reference to the legal character or the property involved.

[62] We note that the Court of Appeal in *Attorney General of Hong Kong v Zauyah Wan Chik* had reservations on the Federal Court's views expressed in *Tan Sri Haji Othman Saat*, that there was also jurisdiction under O 15 r 16 to grant declaratory orders:

> While I cannot possibly agree to the reference to O 15 r 16 as providing a jurisdictional basis (see Government of Malaysia v Lim Kit Siang [1988] 2 MLJ 12), I respectfully agree with the proposition that [sic] s 42 is not exhaustive and does not constitute the sole jurisdictional basis for the grant of declaratory relief.

[63] We share the same concerns but when we address the English practice, we will see that the courts there treat the Civil Procedure Rules as conferring jurisdiction to grant declaratory orders. Be that as it may, the conclusion necessarily is that the courts do have power to grant declaratory orders and those powers do not emanate from the SRA 1950 alone; and even in the case of s 41, the jurisdiction and power conferred is not at all exhaustive as the SRA 1950 is by no means a codified piece of legislation.

[64] Further, when considering whether discretion ought to be exercised in a particular manner or to certain factual conditions, we should ensure that every access to justice is afforded, regardless whether we are dealing with a case of rights under public law, or private contractual or tort law. We are aware that the cases cited thus far are more in the nature of public law challenges or cases where a personal right or interest is affected by a decision of a public authority, declaratory orders are nevertheless available in private law.

[65] In *Baxco United Corporation Sdn Bhd v Atlas Corporation Sdn Bhd* [2003] MLJU 341; [2003] 7 CLJ 157, Malek Ishak J (as His Lordship then was) gave the following elucidation on declaratory orders in private law:

> In the realm of private law, declaratory judgments play a significant role. *It is a valuable remedy in order to settle disputes before those disputes reach the point where the right of one party is infringed*. A good write-up on declaratory reliefs can be seen in *Woolf and Zamir, The Declaratory Judgment*, second edition. It is, however, appropriate to mention that the essence of a declaratory judgment is to state the rights or the legal position of the parties as they stand. A declaration is a discretionary remedy. It is available to anyone and against everyone. It is freely available. Thus, like the case of *Gateshead Union Guardians v Durham CC* [1918] 1 Ch 146, a child's guardian may even obtain a declaration that a county council was wrong in refusing to accept children in its schools. Even a police officer may obtain a declaration that he has not been validly dismissed (*Cooper v Wilson* [1937] 2 KB 309; and *Ridge v Baldwin* [1964] AC 40). A dock worker too may go to court and may obtain a declaration that he has been wrongfully removed from the register and thus preserving his right to be employed under the dock labour scheme (*Vine v National Dock Labour Board* [1957] AC 488). I say that declarations are given in varying fact situations. The courts are always magnanimous and would grant declarations to a variety of applicants. In the past, declarations have been granted against unlawful tax demands (*Bowles v Bank of England* [1913] 1 Ch 57 and Dyson v AG [1912] 1 Ch 159), against enforcement notices (*Francis v Yiewsley & West Dayton Urban District Council* [1958] 1 QB 478), and even against compulsory purchase orders as envisaged in G*rice v Dudley Corporation* [1958] Ch 329. The plaintiff must certainly have the necessary standing to sue. As Lord Diplock said in *Gouriet v Union of Post Office Workers* [1978] AC 435 at 501:
>
> > But the jurisdiction of the court is not to declare the law generally or to give advisory opinions; it is confined to declaring contested legal rights, subsisting or future, of the parties represented in the litigation before it and not those of any one else.

Standing to sue is certainly an important consideration. So long as the declarations sought are not barred by statute, the courts would be amenable to grant it. In the words of Bankes LJ in the case of *Guaranty Trust Co of New York v Hannay & Co* [1915] 2 KB 536 at 572, that *the jurisdiction to grant a declaration 'should receive as liberal a construction as possible*'. Statutory wise, in Malaysia, O 15 r 16 of the Rules of the High Court 1980 ('RHC') allows the court to issue declarations and that Order is worded as follows:

> No action or other proceeding shall be open to objection on the ground that a merely declaratory judgment or order is sought thereby, and the court may make binding declarations of right whether or not consequential relief is or could be claimed.

Under this Order, the plaintiff needs only to establish that his legal interests are peculiarly affected (*Tan Sri Hj Othman Saat v Mohamed Ismail* [1982] 1 LNS 2; [1982] 2 MLJ 177; and *Lim Cho Hock v Speaker, Perak Legislative Assembly* [1979] 1 LNS 45; [1979] 2 MLJ 85, 87). This would be followed by s 41 of the Specific Relief Act 1950(Act 137) where the plaintiff can seek a declaration as to his entitlement to a legal character, or status or right to property. (Emphasis added.)

[66] Another crucial factor to bear in mind when considering whether to exercise discretion is not to confuse the absence of express provision for a declaratory relief in any particular terms as amounting to no power or worse, no jurisdiction to grant such relief. Unless there is clear express provision that certain recourse or even remedies are not available, or there is evidence of abuse of court process, the courts should always be slow to deny a particular remedy simply on the basis that there is another alternative course of action or procedure available; or there is no express remedy provided. And, it was in the readiness to exclude the court's jurisdiction and power under the TMA 1976 that we find ourselves unable to agree with the High Court.

[67] We find support for this principle even then in the dissenting decision of Suffian LP in *Dato Menteri Othman* where after examining and construing the relevant provisions of the Federal Constitution and the State Constitution of Negri Sembilan; Suffian LP, opined:

> In my respectful judgment, there is nothing as clear as the above provisions in the Constitution, Federal or State, ousting the court's jurisdiction over a disputed election of an Undang, and I therefore agree with the learned judge that the court does have jurisdiction to adjudicate on this election – in the same way as the court has jurisdiction to determine the validity of the dismissal by the Public Service Commission of a public servant, when it is challenged.
>
> As a public servant may not be dismissed without being first given a reasonable opportunity of being heard (art 135(2)), and the court has jurisdiction to entertain and adjudicate on his complaint that he has been so dismissed, there being no provision in the constitution to oust the jurisdiction of the court, so in my judgment

A the court has jurisdiction to entertain and adjudicate on the complaint of a tribal chief of the luak of Jelebu that a new Undang of Jelebu has been elected contrary to the custom of the luak, there being no provision in the Federal or State Constitution ousting the jurisdiction of the court. To determine whether or not the complaint is justified, the Court has first to ascertain what is the custom in Jelebu, and then apply
B it to the facts, and there is no question of the court interfering with or disregarding it. Whether or not the Undang has been validly elected is of course a delicate question, and a political question which is best solved by political means; but if the constitution and law require, as I think they do, that the matter be resolved by the court, then until the constitution has been suitably amended, the court has no
C alternative but to embark on the task as best as it can, though that will have the unfortunate effect of throwing the court into the political arena. So that courts are not turned into a political forum, I would rather that State Constitutions be amended by the appropriate authorities, so that future disputes regarding succession are kept out of our way and decided by persons or bodies better equipped to do so.

D

[68] Consequently, the narrow and restrictive construction accorded by the High Court, in our respectful view, surely cannot be correct. In fact, the approach adopted by the learned JC will run counter to the intent of such
E decrees, as explained by the case laws that we examined earlier.

[69] From our examination, broadly, it may be said that:

(a) there should be a liberal approach when it comes to declaratory orders;

F (b) the court's powers to grant such decrees arise independently of the requirements of s 41 of SRA 1950;

(c) unless there is clear evidence of abuse of process or express language excluding or prohibiting the grant of declaratory orders in a given set of circumstances, or even within the TMA 1976 itself, the court should
G recognize that declaratory orders perform a rather critical role in both public and private law; and

(d) such decrees should be granted where the decree will resolve a question on differing or competing interests.

H

[70] The above sets the general principles on declaratory orders. There is a second aspect that needs addressing, and it concerns the law on negative injunctions or more particularly in the law of trade marks, declarations of non-infringement.

I

Declarations of non-infringement

[71] Often, parties do not merely seek orders declaring a positive or affirmative state of their contractual or any other relationship but cocktail their

remedies into a mélange of positive and negative orders with or without any other order for such damages or specific performance. This does not affect the competence or jurisdiction of the court in adjudicating the matter; it is merely a remedy that is best left to the court to order or fashion upon determination of certain facts and evidence; that meets the ends of justice.

[72] In fact, s 41 of the SRA 1950 does not stipulate that the power of the court to grant declaratory orders is restricted to positive orders such as the appellant is entitled to terminate a contract or accept the respondent's acts of repudiation and terminate the contract. Orders pronouncing in negative terms such as a plaintiff is not in breach or that certain acts are not unlawful may be granted. All that is required is for the applicant to prove entitlement to any legal character and the court will make the appropriate pronouncements.

[73] In the context of the present appeal, the appellant had sought inter alia a declaration of non-infringement. The question that arises is whether the principles discussed thus far in relation to declaratory orders generally apply equally or are there particular considerations to bear in mind.

[74] We are of the firm view that the applicable principles are no different. Despite the absence of express powers to grant negative declaratory orders in the TMA 1976 (an issue which we deal with shortly), the court did precisely that in *Aspect Synergy Sdn Bhd v Banyan Tree Holdings Ltd* [2008] MLJU 110; [2009] 8 CLJ 97. There, the High Court granted a declaration of non-infringement invoking its inherent jurisdiction to grant the negative declaration on the basis that it would be just to do so.

[75] In *Aspect Synergy*, the defendant had raised a counterclaim that there was infringement of its mark 'Banyan Tree & device' and that there was passing off. Consequently, Ramly Ali J (as His Lordship then was) had to deal with the issue of whether the plaintiff's mark or use of the word 'Banyan' in the name of one of its residential development projects, 'Taman Sri Banyan, Country Heights' so nearly resembled the defendant's marks. For a host of reasons which are not relevant for this appeal, the allegations were answered in the negative and the counterclaim was dismissed.

[76] More important and pertinent to this appeal is how the High Court dealt with the primary issue of whether the court has jurisdiction to grant declaration of non-infringement:

> The *court has its inherent jurisdiction* to grant a declaration of non-infringement of trade mark *where it appears just to do so*. In the case of Point Solutions Ltd v Focus Business Solutions Ltd & Anor [2007] EWCA Civ 14, para 17. The Court of Appeal in England held:

> The absence of a statutory right to a negative declaration does not preclude the Court from making such a declaration if satisfied, in all the circumstances, that it would be just to do so. It is open to the Court, under its inherent jurisdiction, to consider whether there has been sufficient assertion of the right to trigger the exercise of the discretion to grant a declaration of the nature sought ...

[77] Specifically, in the case of trade marks, several jurisdictions such as the UK, Singapore and New Zealand, provide for the issuance of negative injunctions or declarations. The approach of the courts on how discretion is exercised under its specific law is of assistance.

[78] Under s 21 of the UK Trade Marks Act, although a party may only approach the court for a negative injunction or declaration of non-infringement (DNI) when there is a threat of infringement proceedings, the courts have nevertheless taken a pragmatic and flexible approach in the exercise of discretion in granting such injunctions or declarations. This is evident from the decision in *Skyscape Cloud Service Ltd v Sky Plc & Others* [2016] EWHC 1340.

[79] Hacon J examined the law on negative injunctions and DNI and decided to adopt a modern, flexible and pragmatic approach as advocated in the earlier decisions of *Messier-Dowty Ltd v SABENA SA* [2001] WLR 2040 and *Nokia Corp v InterDigital Technology Corp* [2006] EWHC 802 (Pat):

> [7] In contrast with the Patents Act 1977 (see s 71), UK trade mark legislation does not include any express provision for the grant of a declaration of non-infringement ('DNI') in the absence of a threat to bring infringement proceedings. Outside the threats provisions of the Trade Marks Act 1994 (s 21) the English jurisdiction for a DNI in relation to trade mark rights is derived solely from CPR Pt 40.20 and the common law. Council Regulation (EC) No 207/2009 ('the Trade Mark Regulation') as amended by Regulation (EU) 2015/2424 of 16 December 2015 provides that an EU Trade Mark Court has jurisdiction to grant a declaration of non-infringement of an EU Trade Mark if such an action is permitted under national law (art 96(b)).
>
> [8] In *Well Barn Shoot Ltd v Shackelton* [2003] EWCA Civ 2; [2003] All ER (D) 182 Carnwath LJ traced the increasing acceptance by English Courts that it *can be appropriate and useful to exercise the discretion to grant a negative declaration* beginning from a low start:
>
> > [50] ... For example, in *Guarantee Trust Co of New York v Hannay and Co* [1915] 2 KB 536, 564, Pickford LJ said:
> >
> > > I think that a declaration that a person is not liable in an existing or possible action is one that will hardly ever be made, but that in practically every case the person asking it will be left to set up his defence in the action when it is brought.

However, as Mr Mann accepts, *recent cases have adopted a more flexible approach*. Thus, in *Camilla Cotton Oil Co v Granadex SA* [1975] 1 LLR 470; [1976] 2 LLR 10, Lord Denning MR in the Court of Appeal and Lord Wilberforce in the House of Lords indicated, with varying degrees of emphasis, that the jurisdiction was not as confined as suggested by Pickford LJ although Lord Wilberforce accepted that his words 'warn us that we must apply some careful scrutiny' [1976] 2 LLR 10, 14).

[51] In *Messier-Dowty Ltd v Sabena SA* [2001] WLR 2040, 2050, Lord Woolf MR summarized the modern approach as follows:

> 41. *The approach is pragmatic. It is not a matter of discretion. The deployment of negative declarations should be scrutinized and their use rejected where it would serve no useful purpose. However, where a negative declaration would help to ensure that the aims of justice are achieved the court should not be reluctant to grant such declarations. They can and do assist in achieving justice*...
>
> 42. While negative declarations can perform a positive role they are an unusual remedy insofar as they reverse the more usual roles of the parties. The natural defendant becomes a claimant and vice-versa. This can result in procedural complications and possible injustice to an unwilling 'defendant'. This in itself justifies caution in extending circumstances where negative declarations are granted, but, subject to the exercise of appropriate circumspection, there should be no reluctance to their being granted when it is useful to do so.

[9] A specific hurdle that used to be in the way of a grant of a DNI has gone. *Re Clay* [1919] 1 Ch 66 was once authority for the proposition that a Court will not grant a negative injunction unless a claim of right has been made by the defendant against the party seeking the declaration. This proposition was doubted by Lord Denning in *Camilla Cotton Oil Co v Granadex SA* [1975] 1 LLR 470, but anyway the introduction of the civil procedure rules, and specifically CPR 40.20 which permits the court to make 'binding declarations whether or not any other remedy is claimed', ushered in the new approach to negative declarations explained by Lord Woolf in *Messier-Dowty*. *It requires no prior claim of right*.

[10] As has been seen, Lord Woolf said that *an application for a negative declaration requires appropriate circumspection on the part of the court*. In N*okia Corp v InterDigital Corp* [2006] EWHC 802 (Pat) Pumfrey J said this:

> [20] ... A line of authority running from *Guaranty Trust Company of New York v Hannay & Co through Messier-Howty Ltd v Sabena SA* culminating in the judgment of Newberger J in *Financial Services Authority v Rourke* (unreported) 19 October 2001, established three relevant principles:
>
> (i) *The correct approach to the question of whether to grant negative declarations was one of discretion rather than jurisdiction.*
>
> (ii) *The use of negative declarations should be scrutinized and their use rejected where it would serve no useful purpose, but where such a declaration would help ensure that the aims of justice were achieved, the court should not be reluctant to grant a negative declaration.*
>
> (iii) *Before a court can properly make a negative declaration, the underlying*

issue must be sufficiently clearly defined to render it properly justiciable.

This seems to have been approved on appeal, [2006] EWCA Civ 1618; [2007] FSR 23. The third principle was accepted by Arnold J in *Actavis UK Ltd v Eli Lilly & Co* [2016] EWHC 234 (Pat) at [34]. (Emphasis added.)

[80] Hacon J acknowledged that unlike the Patents Act 1977, the UK Trade Marks Act required the existence of a threat of infringement proceedings being brought before a declaration of non-infringement may be granted. That pre-requisite did not stop His Lordship from going further to hold that with the advent of the UK Civil Procedure Rules or CPR 40.2, a new approach to negative declarations had evolved. This 'modern approach' is pragmatic where the courts should not be reluctant to grant the negative declarations just because of this 'unusual remedy insofar as they reverse roles of the parties'; that the new approach requires 'no prior claim of right'. Instead, the court should look to exercising discretion in order to 'ensure that the aims of justice are achieved'. Discretion should be refused where no useful purpose will be achieved.

[81] We find those principles sound and equally applicable in this appeal. The court should adopt a modern, flexible and pragmatic approach when dealing with declarations of non-infringement; whether the grant of such orders will serve any useful purpose. Such declaratory orders are after all, remedies left best to the discretion of the court and cannot be a matter of jurisdiction.

[82] It is however, only proper that before granting any declaration of non-infringement, the court must ensure that the underlying issue is sufficiently and clearly defined so as to render it properly justiciable. In the context of the present appeal, the court must carefully scrutinise and ensure that the underlying issue of the right to use one's own name as its mark in trade or business exists in law or is capable of being recognised in law, meeting the conditions in the TMA 1976 and s 41 of the SRA 1950. In the instant appeal, we find the conditions satisfactorily met; and this will become more evident when we deal with the position under the TMA 1976.

Right to use one's own name

[83] The appellant, Diesel SpA, is calling upon the aid of the court to recognise and use its own name, Diesel, in its products and more particularly in goods in Class 25 through the own name doctrine which it asserts is enshrined within s 40(1)(a) TMA 1976.

[84] Romer J in *Joseph Rodgers & Sons Limited v WN Rodgers & Company*

(1924) 41 RPC 277 at pp 291–292 offered two basic propositions, one of which has an exception and it is that exception which is relevant in this appeal:

> It is the trite law of this land that *no man is entitled to carry on his business in such a way as to represent that it is the business so another, or is in any way connected with the business of another*; that is the first proposition. The second proposition is, that no man is entitled so to describe or mark his goods as to represent that the goods are the goods of another. To the first proposition there is, I myself think, an exception: *a man, in my opinion, is entitled to carry on his business in his own name so long as he does not do anything more than that to cause confusion with the business of another, and so long as he does it honestly. It is an exception to the rule which of necessity been established* ... (Emphasis added.)

[85] According to Romer J, it is an exception established by necessity; and quite of common sense, we should add as frequently goods or services are so associated and distinctive of a person by name that the owner of the name should be allowed to use his own name to his goods or services. Lord Simonds in *Marengo v Daily Sketch and Sunday Graphic Limited* (1948) 65 RPC 242 at p 251 described it to be 'a natural and inherent right':

> It is an unassailable general proposition that the interests alike of honest traders and of the public require that the goods of A should not be confused with the goods of B. But that proposition is *subject to the qualification that a man must be allowed to trade in his own name and, if some confusion results, that is a lesser evil than that a man should be deprived of what would appear to be a natural and inherent right*. But... it is a fantastic gloss upon this well-established qualification to say that it justifies a trader in placing upon his goods a mark which, however much he may intend it to signify his name, is yet liable to suggest to reasonable men the name of another. (Emphasis added.)

[86] In other words, a person is entitled to use his own name and to mark or label that name of his on his own goods or services. This entitlement extends to companies. The authorities which we shall soon discuss confirm this — see for instance *Mercury Communications Limited v Mercury Interactive (UK) Ltd* [1995] FSR 840; *Baume & Co Ltd v AH Moore Ltd* [1958] Ch 13.

[87] The basis of this doctrine or principle is best explained in the House of Lords decision in *Parker-Knoll Limited v Knoll International Limited* [1962] RPC 265. If one looks carefully at that decision, the House of Lords were unanimous in recognising the use of one's own name provided it is in good faith. What the Law Lords disagreed between themselves was the extent of the injunction, an issue that does not concern us here and does not affect our understanding and application of that decision.

[88] It is to the dissenting judgment of Lord Denning (which was actually in agreement with the Court of Appeal) that we turn to for some understanding

of how the doctrine evolved to existing s 8 of the UK Trade Marks Act 1938 which states that 'No registration of a trade mark shall interfere with any bona fide use by a person of his own name' to which His Lordship said:

> There is no new provision. It merely embodies the previous law. Its history is significant. In 1853 it was held that a man had a right to sell his goods in his own name so long as he made no false representation, see *Burgess v Burgess (1853) 3 De G, M & G 896*. In 1888 this right was recognised by Parliament when it enacted that no entry by a person of his own name on the Register of Trade Marks 'shall affect the right of any owner of the same name to use that name,' see s 10 of the Trade Marks Act, 1888. In 1905 this provision was re-enacted in the words: 'No registration under this Act shall interfere with the bona fide use by a person of his own name,' see s 44 of the Trade Marks Act 1905. In 1934 the Departmental Committee recommended that this should continue to be a recognised exception to infringement of trade mark, and that it should be re-enacted in its present form, see Articles 186(1), 188, 194-6 of the Report. And it has been re-enacted accordingly in s 8(a) of the 1938 Act.
>
> In the light of this history, it is plain that Parliament has deliberately preserved the right of a man *bona fide* to use his own name as a trade mark in relation to his goods. His exercise of this right may cause confusion, but no matter. So long as he makes no false representation, he is safe. This right is not confined to his use of his own name as the name of his business (for example, over his shop front) but extends also to his use of it as a mark on his goods (for example, by putting it on a label). And 'bona fide' means what it says. It means honestly in good faith. So that the section means that it is no infringement for any person honestly to use his own name, in relation to his goods, so long as he has no intention to deceive anybody and no intention to make use of the goodwill which has been acquired by another trader. I find myself in full agreement with the judgment of *Danckwerts, J, in Baume & Co Ltd v AH Moore Ltd* [1958] Ch 13, affirmed as he was on this point by the Court of Appeal [1958] CH 907.
>
> Applying this interpretation, it seems to me that Knoll International Limited are entitled to the protection of s 8. They were absolutely honest throughout. Their use of their own name was entirely bona fide. They made no false representation at all. It may have been likely to cause confusion, but this must be endured, lest the plaintiffs be allowed an unfair monopoly of the name KNOLL. The protection extends to the defendants' use of their own name, 'Knoll International Limited,' and also to the natural abbreviation to 'Knoll' alone without the word 'International'. The user which is protected is the honest user of a man's ordinary name – the name by which he is usually known. A further abbreviation, which reduces it to less than his ordinary name, is not protected if the likelihood of confusion is thereby increased.

[89] His Lordship examined several case authorities and found that 'the authorities all show that he is not to be prevented from bona fide using his own name'; that confusion from same name goods or services is inevitable and acceptable (making allowance for the incautious person — see *Turton v Turton* (1889) 42 Ch D 128, per Lord Herschell) and that the risk of such confusion

must be run; unless of course, there is proof of deception.

[90] One of such decisions examined was *John Brinsmead & Sons Limited v Edward George Stanley Brinsmead* (1913) 30 RPC 489 at p 507 where Buckley J held that if the use of one's own name was likely to deceive, then that right would be lost even if it was honestly used. In that case, John Brinsmead & Sons produced pianos and marked them with their name and acquired a high reputation for them as 'Brinsmead' pianos. Stanley Brinsmead set up similar business and marked his pianos as 'Stanley Brinsmead'. The court found that this was likely to cause confusion but since Stanley Brinsmead was honestly using his own name, an injunction restraining him from such use was refused.

[91] Another case examined was that of *Burgess v Burgess* (1853) 3 De GM & G 896 where the father, John Burgess set up business in the Strand and sold sauce there under the title of 'Burgess's Essence of Anchovies'. His son, WH Burgess set up a similar business at another street labelling his business also 'Burgess's Essence of Anchovies'. The court found that while it was obviously likely to cause confusion, the court would not restrain the son from thus labelling his goods.

[92] Lord Hodson in the House of Lords in *Parker-Knoll Limited*, similarly found that the case 'raises no novel question of law'; that 'when a man carries on his business in his own name and so describes his goods, it appears to me he is perfectly safe; so long as he does it honestly'. His Lordship cited *Turton v Turton* a case of trading and not passing off, upheld in strong and unqualified language the right of persons to use their own names provided they did so honestly.

[93] Indeed, the element of using in good faith one's own name to one's own goods or services is critical before the exception to the first proposition sounded by Romer J is available. As alluded to by Lord Denning in *Parker-Knoll Limited*, the Court of Appeal indeed affirmed Danckwerts J's decision on this point in *Baume & Co Ltd v AH Moore Ltd* [1958] Ch 13. According to the Court of Appeal, although s 4(1) of the UK Trade Marks Act 1938 recognised that a proprietor of a registered trade mark has the exclusive right to the use of the registered trade mark in relation to the proprietor's goods, by virtue of s 8 of the same Act, that right is not interfered with or infringed by another person who, in good faith, uses the same mark by reason of the fact that the mark is his own name.

[94] In *Baume & Co Ltd*, the trade mark of the plaintiffs consisted of the word 'Baume', registered in 1878 in Cl 10 of Sch III for watches and all other descriptions of horological instruments. The plaintiffs and their predecessors in title have carried on business in the sale of watches since 1834. The watches being made for them by a firm called Mildia in Switzerland. The plaintiffs

A expended substantial moneys in advertising its goods. The defendants were watch importers selling them directly to wholesalers. In 1954, together with a Swiss company, Baume & Mercier, Socieete Anonyme of Geneva, the defendants started importing watches made by Baume & Mercier into England for sale. The faces of these watches bore the name 'Baume & Mercier' as did the B boxes bearing them. The plaintiff sued claiming infringement and alleging that the use of the word 'Baume' was calculated to deceive and cause confusion leading the trade and the public to believe that the watches for sale or sold by the defendants were foods of the plaintiffs' manufacture or merchandise. The plaintiffs also alleged passing off.

C

[95] Danckwerts J found that the names to be sufficiently similar and that there was some probability that confusion might occur in England in respect to the sales of the watches. However, the learned judge found no infringement, D that the defendants were entitled to the protection afforded by s 8 of the TMA 1938. The passing off claim was also dismissed on ground of honest user by the defendants of the makers' own name.

[96] In affirming the decision on infringement, the Court of Appeal rejected E the plaintiffs' suggestion that s 8 only protects a trader in the use of his own name if he uses it as the name of his business or on his stationery, invoices etc., and not where it is used as a trade mark in respect of his goods, that the section was introduced into the Act *ex abundanti cautela*:

F

> ... Section 8(a) is expressed in perfectly general terms, and we can see no sufficient warrant for confining its operation to the bona fide use by a trader of his own name as a trade name as distinct from using it as a trade mark. We do not accept counsel for the plaintiffs' suggestion that s 8 ...was introduced merely *ex abundanti cautela*. It seems to us that its object was to ensure that the use by a man of his own name should be protected, provided that the user was bona fide, whether he traded under G that name or whether he used it as a trade mark in respect of his goods; and, if the narrower interpretation for which counsel for the plaintiffs contends is attributed to that section, it is difficult to apprehend the purpose of Parliament in enacting it at all.

H

[97] The Court of Appeal further agreed with Danckwerts J's understanding on what 'bona fide use' means; that it is what it 'normally means: it means the honest use by the person of his own name, without any intention to deceive anybody or without any intention to make use of the goodwill which had been I acquired by another trader'. The Court of Appeal held that there was no need to attribute any special or different meaning to the term; that 'if a trader is honestly using his own name, then no action will lie for infringement of trade mark and any rival trader who think himself aggrieved must sue, of at all, for passing off'.

[98] The House of Lords decision in *Parker-Knoll* and the Court of Appeal decision in *Baume* was applied and followed in *Mercury Communications Limited v Mercury Interactive (UK) Ltd* [1995] FSR 840. In *Mercury Communications*, the plaintiff was a provider of telecommunications services. It also provides telecommunications and computer equipment to its customers. It is the registered proprietor of trade mark number 1273760 for the trade mark: MERCURY registered in Class 9. The defendant sells computer programmes for analysing other software or for testing and de-bugging computer systems and computer programmes. Its products are developed and manufactured by its parent company, Mercury Interactive Corporation located in the USA.

[99] The plaintiff alleged that the defendant who was importing, marketing and selling computer software under and by reference to the name and mark MERCURY and MERCURY INTERACTIVE infringed its registered trade mark. That was denied primarily on the ground that its use was protected under s 8(a). The plaintiff sought to enter summary judgment under O 14 of the Rules of the Supreme Court.

[100] In dismissing the application, Laddie J stated:

> When considering the arguments on this application, it is necessary to bear in mind the purpose of sub-s 8(a). It is excluding from the ambit of the monopoly conferred by trade mark registration certain acts which otherwise would amount to infringement. In particular, *use of a name by the defendant as a trade mark is excluded from infringement so long as it is bona fide* and otherwise meets the requirements of the subsection ...
>
> ...
>
> This should be borne in mind when considering the Court of Appeal view that s 8(1) should be given a broad scope (see [1958] RPC page 236 line 5). It follows that once a defendant comes within the subsection he can openly and persistently use his name as a trade mark on the same type of goods as the registered proprietor and the latter cannot complain.
>
> ...
>
> It may be thought that this is too serious an inroad into a proprietor's rights but the proprietor will only be disadvantaged where he has no common law rights which he can enforce against the defendant. In other words, in the majority of cases the registered proprietor of a mark will only notice the loss of his right to use his registration against a rival when that rival is not causing him damage in the market place. *I have no reason to believe that Parliament considered this restriction on the proprietor's rights to be undesirable*. (Emphasis added.)

[101] The right or entitlement to use one's own name in one's goods or services is also recognised in Australia and New Zealand. In Australia, the

A Federal Court of Australia in *Angoves Pty Ltd v Johnson & Ors* [1982] 43 ALR 349, the appellant sought to restrain the respondents from infringing its registered trade marks and from passing off the respondents' goods and services as the appellant's. The application was dismissed.

B **[102]** The decision was upheld by a majority on appeal. These were the underlying facts in that appeal. The appellant's trade mark was 'St Agnes' in respect of brandy and wine under Part A of the Trade Marks Act 1955 and in Part D in respect of a very wide variety of alcoholic and non-alcoholic liquors and syrups and other preparations for making beverages. The appellant is C well-known for its brandy, 'St Agnes Brandy'. The appellant's main place of business was located elsewhere but it also has a liquor store about half a mile from the respondents' in a 34 acres area called Tea Tree Gully that the founder of the appellant, Dr Angoves opened in the 1890s as a winery and distillery. A small amount of wine is still produced there but the area is principally used as D a site for warehousing and cellar door sales, restricted to its own products and a brand of Scotch whisky and a brand of London gin for which the appellant is the local distributor. The appellant's premises at Tea Tree Gully include an old tower where the name 'St Agnes' is prominently displayed. The old tower is a distinct local landmark.

E

[103] In 1959, the local authority created a new suburb in the vicinity but not including the appellant's premises and called it 'St Agnes'. The suburb has since grown with a 'St Agnes Shopping Centre'; 'St Agnes Cycles'; 'St Agnes Cleaners'; 'St Agnes Toy Shop'; St Agnes Chemists'; St Agnes Fish Shop'. The F respondents bought over a liquor store located in 'St Agnes Shopping Centre'. Originally, the store was called 'Bokara Liquor Store. In 1975, the first and second respondents successfully applied to change the name to 'St Agnes Liquor Store'. The respondents sold, amongst others, the appellant's St Agnes brandy in their store. The appellant objected to the respondents' proposed use G of the business name, 'St Agnes Liquor Store'. The name of the respondents' store was printed on amongst others, papers bags and wrapping paper sold or used at the store. The appellant recorded the confusion that ensued and sued for infringement and passing off. The claim was dismissed, inter alia, on the ground that there was no significant confusion or likelihood of confusion.

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[104] The issue before the court there was whether the use of the word 'St Agnes' in the name of the respondents' place of business was within the meaning of s 64(1)(a) of the Trade Marks Act 1955 which states:

I (1) Notwithstanding anything contained in this Act, the following facts do not constitute an infringement of a trade mark:

(a) the use in good faith by a person of his own name or the name of his place of business, or the name, or the name of the place of business, of any of his predecessors in business ...

[105] The Federal Court answered in the affirmative, adopting and applying the approach in *Baume & Moore*; *Parker-Knoll* that the use of one's name as a trade mark would be equally protected. According to Fitzgerald J, s 64(1)(a) 'does not speak of the address of a business and I can perceive no reason why it should be so read down. It seems to me that the protection which it gives to the use of the name of the user's place of business is an aspect of the same policy which generally prohibits registration of a geographical name as a trade mark (s 24(1)(d));' that even if the use 'of even a 'deceptively similar' mark will not constitute an infringement if, other conditions being satisfied, the deceptively similar mark is used in good faith. It does not, however, follow that even in such a context knowledge of confusion or a belief in the likelihood of confusion can be excluded from a consideration of 'good faith". His Lordship went on to opine that 'a suburban liquor store in a suburban shopping centre the name of the suburb can, in my opinion legitimately be considered to be the name of the place of business for the purposes of s 64(1)(a)'. Section 64(1)(a) is in pari materia with s 40(1)(a) of TMA 1976 under consideration,

[106] The same may be said about New Zealand where in the case of *JJ Craig Ltd v EA Craig and Henry Craig* [1922] NZLR 199, the Supreme Court of New Zealand unequivocally held:

> ... an individual is entitled to trade under his own personal name regardless of the fact that his business may be thereby confused with the business of some other person bearing the same or similar name. He is not even bound to take any special precautions to avoid or minimize such confusion. If there are two grocers name John Brown, each of them is equally entitled to trade under that name, and there is no priority of right in him who first establishes his business. If either of them objects to being confused with the other, he must take such precautions on his own account as may be necessary to avoid such confusion, and cannot call upon the other to do so. No man can by prior use acquire a monopoly in his own name. Nor does it make any difference in such a case that a trader using his own name is well aware of the fact that his business will be confused with that of the rival trader, and intends to take the advantage which such confusion will confer upon him.

[107] The doctrine of own name has also found traction in Singapore where its Court of Appeal in two decisions, *Rainforest Coffee Products Pte Ltd v Rainforest Café Inc* [2000] 1 SLR (R) 725 and *The Audience Motivation Company Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517, took the same approach as that discussed above. However, on the facts in the first appeal although the use of the word 'Rainforest' was bona fide, the Court of Appeal required the appellant to use its full corporate name. This was clarified in the second case where the Court of Appeal said that the '... real issue before the court was whether the appellant had sufficiently differentiated itself when it used the word 'Rainforest' as a trade mark, rather than the appellant's failure to use its full corporate name including the words 'Pte Ltd'. Indeed, as noted at para [40] above, it seems to us that the court would have accepted not

only the use of the name 'Rainforest Coffee Products Pte Ltd'; but also 'Rainforest Coffee Products'. It was the use of the word 'Rainforest' by itself that was found to be impermissible not least because in all likelihood that was the source of the greatest degree of confusion (it being the only common point between the names of the appellant and the respondent in that case)'.

[108] It is fairly evident from the above authorities that the courts have taken a robust, flexible and practical approach when interpreting the relevant legislation in favour of recognising the doctrine of use of own name use; whether couched in substantially similar or same terms (as in the case of New Zealand) as s 40(1)(a) of the TMA 1976. While registration of trade name entitles the proprietor exclusive use of the registered name or mark, that entitlement is subject to the bona fide use by the owner of the name in relation to the owner's goods or services.

[109] The question next is the test as to whether use of a trade name or trade mark is bona fide or otherwise. This was addressed in *Mercury Communications Limited v Mercury Interactive (UK) Ltd*, that for the purpose under s 8 of the UK Trade Marks Act 1938, Laddie J in following *Baume* and *Parker-Knoll* held that it is a subjective test. His Lordship was of the view that even if he were free to depart from the House of Lords and the Court of Appeal:

> I would not do so. If the test is objective, it is difficult to see what would be the point in having the subsection. In the overwhelming majority of cases a reasonably careful trader will be assumed to have carried out a registered trade mark search. In virtually all cases he would find the registered trade mark which, *ex hypothesi*, he would realise or suspect interfered with his right to use his own name. That clearly would have been the position in both the Baume and the Parker-Knoll cases, in both of which the s 8(a) defence succeeded.

[110] See also *Rainforest Coffee Products Pte Ltd v Rainforest Café Inc* where the Singapore Court of Appeal held that bona fide is assessed subjectively.

[111] Bearing in mind all the principles set out above, we find that the TMA 1976 implicitly recognises the right of a person to use her own name or in the case of a company, its own name. This right justifiably merits protection by the court by the grant of the DNI sought. We disagree with the learned JC's reading and interpretation of the various provisions of the TMA 1976; and that contrary to His Lordship's conclusions, the TMA 1976 does in fact recognise the use of one's own name in trade and that such use does not infringe another trade mark, though the same and registered, provided of course, that such use is in good faith. Such use amounts to a legal entitlement within the meaning in s 41 of the SRA 1950 for which the DNI ought to have been issued to protect and allow for such bona fide use.

[112] The learned JC had concluded that because s 35 of the TMA 1976 conferred upon the respondent, as registered proprietor of the defendant's Registered Diesel Trade Marks, 'the exclusive right to use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register'; and because s 36 provided that registration is prima facie and in the case of s 37 where the registration is over seven years old, conclusive, evidence of validity save in the three excepted cases; to accede to the appellant's application would be to run counter to all the intent and purpose of those and other provisions under the TMA 1976.

[113] The learned JC went as far as to describe the granting of the orders sought as 'unlawfully' limiting the respondent's rights and powers; occasioning an 'absurdity wherein all the rights of an owner of a registered trade mark … will be unlawfully curtailed, if not defeated, by paras (a) to (f) in s 40(1) TMA 1976'; and that it would allow the appellant to 'circumvent unlawfully the expungement procedure as expressly provided in ss 37(a) to (c) read with s 45(1)(a) of the TMA 1976'.

[114] Sections 19(3) and 34 were also mentioned by the learned JC. We will not deal with s 19(3) as it is not relevant in this appeal; whilst s 34 concerns the right of assignment of the registered trade marks. The latter is not in serious contention but we register our concern as to how the respondent came to be aware of how the defendant's registered Diesel Trade Marks came to pass given that it is not and cannot be within its personal knowledge how DTSB came to coin that name or mark as the two entities are entirely separate and distinct.

[115] Having examined these provisions ourselves, we find the interpretation, construction and interplay of the various provisions of the TMA 1976, with respect, run contrary to the express terms of the provisions themselves and to the principles as discussed.

[116] These are the relevant provisions of the TMA 1976:

> 35 Rights given by registration
>
> (1) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or series subject to any conditions, amendments, modifications or limitations entered in the Register.
>
> (2) Where two or more persons are proprietors of registered trade marks which are identical or nearly resembling each other rights of exclusive use of either of those trade marks are not (except so far as their respective have been defined by the Registrar or the Court) acquired by any one of those persons as against any other of

those persons by registration of the trade mark but each of those persons have the same rights as against other persons (not being registered users) as he would if he were the sole registered proprietor.

36 Registration prima facie evidence of validity

In all legal proceedings relating to a registered trade mark (including applications under section 45) the fact that a person is registered as proprietor of the trade mark shall be *prima* facie evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

37 Registration conclusive

In all legal proceedings relating to a trade mark registered in the Register (including applications under section 45) the original registration of the trade mark shall, after the expiration of seven years from the date thereof, be taken to be valid in all respects unless it is shown —

(a) that the original registration was obtained by fraud;

(b) that the trade mark offends against section 14; or

(c) that the trade mark was not, at the commencement of the proceedings, distinctive of the foods or services of the registered proprietor.

except that this section shall not apply to a trade mark registered under the repealed Ordinances and incorporated in the Register pursuant to subsection 6(3) until after the expiration of three ears from the commencement of this Act

38 Infringement of a trade mark

(1) A registered trade mark is infringed by a person who, but being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either —

(a) as being use as a trade mark;

(b) in a case in which the use issue upon the goods or in physical relation thereto ...;

(c) in a case in which the use is use at or near the place ...

39 Infringement of trade mark by breach of certain restriction

(1) Where, by notice upon goods or upon the container of goods, the registered proprietor or a registered user of a trade mark registered in the Register makes a statement prohibiting the doing of an act to which this section applies, a person who, being the owner for the time being of the goods, does that act, or authorizes it to be done, in relation to the goods in the course of trade or with a view to a dealing with the goods in the course of trade, shall be deemed to infringe the trade mark unless —

(a) at the time when he agreed to buy the goods he acted in good faith without notice that the statement appeared on the goods; or

(b) he became owner of the goods by virtue of a title derived from another person who had agreed to buy the goods,

be prima facie evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

40 Acts not constituting infringement

(1) Notwithstanding anything contained in this Act, the following acts do not constitute an infringement of a trade mark —

(a) the use in good faith by a person of his own name or the name of his place of business or the name of the place of business of any of his predecessors in business;

(b) the use in good faith by a person of a description of the character or quality of his goods or services, and in the case of goods not being a description that would be likely to be taken as importing any reference as is mentioned in paragraph 38(1)(b) or paragraph 56(3)(b);

(c) the use by a person of a trade mark in relation to goods or services in respect of which he has by himself or his predecessors in business, continuously used the trade mark from a date before —

(i) the use of the registered trade mark by the registered proprietor, by his predecessors in business or by a registered user of a trade mark; or

(ii) the registration of the trade mark, whichever is earlier;

(d) in relation to goods ...

(dd) ...

(e) ...

(f) ...

45 Rectification of the Register

(1) Subject to the provisions of this Act —

(a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as if thinks fit;

(b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;

(c) in case of fraud in the registration, assignment or transmission of a registered trade mark or if in his opinion it is in the public interest to do so, the Registrar my himself apply to the Court under this section;

(d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the Registrar shall upon receipt of the notice rectify the Register accordingly.

[117] Save for s 45, all the provisions cited above are housed in Part VI of the TMA 1976. The ten provisions therein (ss 30 to 40) deal with matters concerning registration and effect of registration of trade marks. Part VIII of the TMA 1976, on the other hand, where s 45 is found, deals with correction and rectification of the register. As explained by its long title, the TMA 1976 is an 'Act to make better provisions in the law relating to trade marks and for other matters connected therewith'. By no means is it a code containing exhaustively all the law relating to trade marks; there is after all proprietorship and ownership of trade marks under common law, which remains unaffected by the existence of the TMA 1976.

[118] The pertinent issue which arises for consideration in this part of the appeal is whether the doctrine of own name trade mark exists in this country and whether it is implicit in s 40(1)(a). Having read s 40(1)(a) against the bulwark of the other provisions in the TMA 1976, we answer that poser in the affirmative. Though not necessarily couched in the same terms, there is strong justification for acknowledging this legal entitlement. We in fact, will go so far as to say that His Lordship had indirectly recognised the existence of that right save that he had concluded that this right could only be raised as a defence to an action for infringement, noting that that was how it was raised even in the cases cited by the appellant. We disagree with that interpretation that we find, with the greatest respect, neither expressed nor to be inferred from any of the provisions in the TMA 1976.

[119] We find that the doctrine or the principle that one is entitled to use one's name in trade or business is actually encapsulated not only in s 40(1)(a) but also in s 10 (which allows, inter alia, the name of an individual, company or firm represented in a special or particular manner to be registered); s 16 (use of name of another person); or even s 33 (words used as name or description of article, substance or service).

[120] While s 35 gives registered proprietors of registered trade marks 'the exclusive right to use of the trade mark in relation to those goods or services', s 35 clearly provides that the 'exclusive right' is 'subject to the provisions of this Act' and also 'subject to any conditions, amendments, modifications or limitations' that may be entered in the Register. Thus, while there is exclusiveness in the right to use of the registered trade mark, that right is

expressly conditional to the other provisions in the TMA 1976. Some of those provisions would be s 20 on concurrent use, s 21 on jointly owned trade marks; and of course, s 40(1)(a), where there is use in good faith of one's own name. The list is by no means exhaustive.

[121] This construction and interpretation is fortified by the opening words in s 40 itself which states: 'Notwithstanding anything contained in this Act'; giving this provision a construction and application which will prevail over or override any other provision, including those provisions cited by the respondent and agreed to by the learned JC such as ss 35, 38 and 39, whether it is in the event of a conflict or merely a question or concern over their inter-applications. We cannot see any terms stronger and clearer than those expressed in s 40(1) itself. The intent of this section is that the right to exclusive use of the registered trade name will be subject to any other user who is using in good faith its own name, or the name of its place or business. We add that although s 40(1)(a) uses the word 'his' as if referring to an individual, the provision, just like many others in the TMA 1976, apply equally and are available to a corporate entity such as the appellant.

[122] From the terms of s 40, we are also unable to agree with His Lordship's construction and conclusion that s 40(1)(a) is only available as a defence to an action for infringement of trade mark. That construction involves reading into s 40 words which are not there and certainly, an intent and scope which cannot reasonably be deduced, expressly or by inference; and that will go beyond the applicable principles of statutory interpretation. We say, firmly, be it s 40 in general or s 40(1)(a) specifically, is not intended as a defence. It is 'expressed in perfectly general terms' and should not be read down. It may operate to provide a valuable defence in the event of an action for infringement; but to reduce s 40 entirely is to render a reading which goes not only against the clear and express terms of the provision but will defeat the clear intent of the provision, which is to declare, pronounce or provide for certain acts as not constituting infringement of trade marks. How, when and under what circumstances may be were deliberately unspecified by the Legislature and it would be wrong to construe otherwise.

[123] We appreciate that the TMA 1976 may not have an express provision directly protecting the use of one's own name in trade or business in the same manner or terms as appearing in our s 62(1) of the Patents Act 1983 or even s 21 of the Trade Marks Act 1938 of the United Kingdom or s 35 of the Trade Marks Act 1992 of Singapore. That, however, does not alter the construction that we have of s 40(1)(a) as it also did not deter the court in Australia in *Angoves Pty Ltd* where its s 64(1)(a) is in pari materia with s 40(1)(a).

[124] A reading and comparison of those provisions further confirms the view

A expressed. Section 62(1) of the Patents Act 1983 reads as follows:

S 62 Declaration of non-infringement

(1) Subject to subsection (4), any interested person shall have the right to request, by instituting proceedings against the owner of the patent, that
B the Court declare that the performance of a specific act does not constituted an infringement of the patent.

[125] Section 21 of the Trade Marks Act 1938 (now 1994) of the United Kingdom states:
C

21 Remedy for groundless threats of infringement proceedings

(1) Where a person threatens another with proceedings for infringement of a registered trade mark other than —

D (a) the application of the mark to goods or their packaging;

(b) the importation of goods to which, or to the packaging of which, the mark has been applied; or

(c) the supply of services under the mark,

E any person aggrieved may bring proceedings for relief under this section.

(2) The relief which may be applied for is any of the following-

(a) a declaration that the threats are unjustifiable;

(b) an injunction against the continuance of the threats;

F (c) damages in respect of any loss he has sustained by the threats;

and the plaintiff is entitled to such relief unless the defendant shows that the acts in respect of which proceedings were threatened constitute (or if done would constitute) an infringement of the registered trade mark concerned.

G (3) If that is shown by the defendant, the plaintiff is nevertheless entitled to relief if he shows that the registration of the trade mark is invalid or liable to be revoked in a relevant respect.

(4) The mere notification that a trade mark is registered, or that an application for registration has been made, does not constitute a threat of
H proceedings for the purposes of this section.

[126] Section 35 of the TMA of Singapore states:

35 Remedy for groundless threats of infringement proceedings

I (1) Where a person threatens another with proceedings for infringement of a registered trade mark other than —

(a) the application of the mark to goods or to material used or intended to be used for labeling or packaging goods;

(b) the importation of goods to which, or to the packaging of which, the mark has been applied; or

(c) the supply of services under the mark,

any person aggrieved may bring proceedings for relief under this section.

(2) The relief which may be applied for is any of the following:

(a) a declaration that the threats are unjustifiable;

(b) an injunction against the continuance of the threats;

(c) damages in respect of any loss he has sustained by the threats.

(3) The plaintiff is entitled to the relief referred to in subsection (2) unless the defendant shows that the acts in respect of which proceedings were threatened constitute (or if done would constitute) an infringement of the registered trade mark concerned.

(4) If the defendant showed that the acts in respect of which were threatened constitute (or if done would constitute) an infringement of the registered trade mark concerned, the plaintiff is nevertheless entitled to relief if he shows that the registration of the trade mark is invalid or liable to be revoked in a relevant respect.

(5) The mere notification that a trade mark is registered, or that an application for registration has been made, does not constitute a threat of proceedings for the purposes of this section.

[127] If these provisions are now contrasted with the express terms of s 40(1)(a) which clearly state that the *use in good* faith by a person of *his own name* or the name of his place of business or the name of the place of business of any of his predecessors in business does not constitute an act of infringement of a trade mark, notwithstanding anything contained in the TMA 1976; we cannot see how much clearer the right to use one's own name can be. As expressed earlier, s 40(1) is silent as to when or how the grounds in (a) to (f) may be invoked and it would be unnecessarily restrictive if one were to read into s 40(1) words which are not there, and worse, giving the clear opening words of the provision, that it is notwithstanding what other provisions may provide, a totally different construction.

[128] In fact, we would go further to say that unlike the provisions in the UK and Singapore, the right or benefit conferred by s 40(1)(a) is not constrained by the need to establish threshold or pre-requisites such as proof of the existence of some threatened infringement action being brought before the remedy is available. That is not found in s 40(1)(a) and with respect, it is perhaps this requirement in the other jurisdictions that caused the learned JC to erroneously conclude that there must be an infringement action first before s 40(1)(a) may be invoked.

[129] Section 40(1) and (1)(a) specifically does not have any of those strictures. There is ample case law that instructs never to read into legislation words and intent which are not expressed or may be reasonably inferred. That principle extends to reading the various provisions in the same legislation against each other. In the case of s 40(1)(a), there are categorical words directing its prevalence over other provisions; yet, this was not heeded. Contrast this with s 35 of the TMA 1976 which itself states that it is to be read 'Subject to the provisions of this Act', a direction which appears not to have been heeded by the High Court when construing the interplay of the different provisions of the TMA 1976. In our opinion, this caveat clearly indicates that s 35 itself acknowledges that the monopoly or exclusivity of the right to use a particular trade mark conferred by registration of trade mark is not absolute but qualified.

[130] Section 40(1)(a) must be given a wide and generous construction when determining whether the provision confers any legal entitlement to the appellant within the meaning and sense found in s 41 of the SRA 1950. The powers and certainly the jurisdiction of the court cannot be limited or narrowed by such restrictive construction in the absence of express terms in the TMA 1976 denying or excluding such powers. The apex court in the cases discussed earlier in this judgment had long sounded the clarion call reminding the courts not to too easily or readily divest itself of jurisdiction or power to adjudicate and grant appropriate orders or remedies. We see no reason why we should contemplate that course in this appeal.

[131] We add that if in the jurisdictions where there are threshold requirements before a DNI is ordered the courts have already adopted a pragmatic, flexible approach both in recognising the availability of the remedy as well as the doctrine of own name, we see no reason why we should not do the same.

[132] From the given facts and circumstances, it is also undeniable that the appellant has raised more than adequate, real and genuine substantial issues of interests and rights of legal character for the court to take jurisdiction rather than decline it; and for the court to make a definitive pronouncement by declaring the character, nature, status or position of those interests and rights. As held in the *AG of Hong Kong v Zauyah*, the procedural adjunct to s 41 is in O 15 r 16 where the test for the grant of declaratory orders is the existence of genuine and real interests; a condition which we also find was met by the appellant.

[133] We further find that the intention to use its own mark and name is bona fide and that the subjective intent has been satisfactorily established. The appellant has provided ample documentary evidence of the creation of its name

and mark, its evolution and of its numerous efforts in promoting its plaintiff's Diesel marks. The originality of creation of its distinctive name and mark is unquestionably genuine and its use thus far, though in different Classes, has been consistent. And, now the appellant proposes to use the same name and mark, its own name and mark, in a different class, Class 25. We see nothing objectionable in that; more so when the proposed class is in the same genre as its other classes.

[134] The evidence is overwhelming and it is beyond doubt that the appellant, Diesel SpA, has used and uses its own corporate name as its trade name and house mark and has done so for decades. The inception or coining of that name has been well-explained and documented by the creator himself, Mr. Rosso. The word 'Diesel' in the context of the appellant is not merely a word; it is more. It is its name and it is the key, essential or distinctive feature of the appellant's corporate or trade name. That name, 'Diesel', used in the entire range of its goods whether clothing, accessories, footwear or headgear has come to be associated or identified with the appellant. That name is its trade mark and with its very many variations as explained earlier, has also been registered in many jurisdictions worldwide. The extent of its intensive advertising and promotion is also evident from the affidavits and exhibits filed in court.

[135] For the reasons articulated by the appellant, we agree that the appellant's products bearing its name as its marks have been available for distribution and sale in this country for some time now; that with the ease of extensive travel and the access to its websites, the Malaysian consumer would have been familiar and would associate the plaintiff's Diesel marks distinctly with the appellant. The appellant has also established evidence of considerable goodwill and reputation worldwide by the extensive use of its trade marks and trade name worldwide and by virtue of the 'spill over' effect of this reputation and goodwill, this court is entitled to recognise the same: see *Yong Teng Hing b/s Hong Kong Trading Co & Anor v Walton International Ltd* [2012] 6 MLJ 609; [2012] 6 MLRA 629 where the Federal Court was referring to the Giordano trade mark. The appellant is not riding on any goodwill or reputation of the respondent; it has provided more than adequate evidence of its own extensive goodwill and distinct reputation that it puts paid to any negative or sinister intention suggested by the respondent.

[136] In fact, the respondent and its predecessors in title were aware of the appellant and its trade marks and of how closely associated those marks are with its name. This is reflected in the respondent's own filing for its own trade marks. In any case, as a public listed company of and for the same line of industry, it must surely be aware of the appellant and its products. We understand that the

respondent has also described itself or has been described in the Groupon website, an e-commerce website that it is a franchisee of the appellant, a position which is obviously incorrect.

[137] Furthermore, we agree with the submissions of learned counsel for the appellant that it is quite evident how the respondent's advertising and promotion campaigns bear such close and striking resemblance to those of the appellant's, and this has been adequately pointed out and explained in the affidavits filed by the appellant. In actuality, the evidence seems to suggest of the respondent associating itself and its Diesel products as those of the appellant's rather than the other way round; and which is what all the authorities discussed had to grapple with. Hence, the applications for infringement.

[138] That issue is not required for determination in the originating summons and in the appeal, as the appellant is not pressing or pursuing any expungement orders; nor is the respondent attempting the same. The appellant is only looking to use its own name for its goods in Class 25, and we have no hesitation in finding that it is entitled to do so; almost concurrently with the respondent's goods in the same class.

[139] We find that confusion is not the respondent's real complaint; neither can it be said there is bad faith on the appellant's part or there is intent to deceive or that there is deception by such intended use. The respondent merely asserts that because it is the registered proprietor of the Defendant's Registered Diesel Trade Marks, it is entitled to the exclusive use of the marks, period. As extensively explained above, that right is not finite nor absolute but subject to, in this case, the bona fide use by the owner of her own name in relation to the owner's goods or services.

[140] As opined in other jurisdictions and as understood in the law of trade marks, confusion of marks or similar marks is a necessary state, whether or not anticipated and it must be tolerated in deference to the better entitlement to use one's own name, and to use it on one's own goods. Priority of use or registration does not deprive or displace the good faith use of one's own name. The right or entitlement to use one's own name in one's goods or services is only curtailed by the presence of bad faith, subjectively assessed. We can find no suggestion or presence of such debilitating factors in the present appeal.

[141] We move finally to the question of whether the appellant is obliged to take expungement or rectification proceedings under s 45 of the TMA 1976. In this regard, the answer is also clearly in the negative. As explained, the jurisdiction of the court is not circumscribed and the power to grant declarations of non-infringement is not curtailed by pre-requisites. This

extends to and includes requiring the appellant to take measures or proceed in a certain manner, matters which are not provided for, whether expressly or by inference in the TMA 1976 or even in the SRA 1950.

[142] Contrary to the learned JC's findings that the remedy is unavailable where there is inordinate delay, we find there is none. Delay cannot in any case be a relevant consideration if the learned JC was correct in saying that the own name principle may only be raised as a defence, as that would be dependent on the existence of a suit for infringement.

[143] More importantly, the appellant has satisfactorily explained of its intention to now expand into Class 25, a class or category of goods or products which are substantially similar to those already marketed, produced and/or distributed by the appellant, here and worldwide. That decision to expand into Class 25 is a boardroom and commercial decision which the appellant is entitled to make and which the court should not second guess. And, for reasons of commercial certainty, the appellant sought the declaration of non-infringement. Discretion consequently ought to have been exercised in favour of the appellant.

[144] As discussed earlier, the apex court did not define the meaning and scope of the words 'legal character' or even the words 'any right' in s 41; and we have expressed our views on why that may be so; that it would run contrary to the whole operation and role of declaratory decrees by any restrictive interpretation. The approach adopted by the apex court in *Tan Sri Othman Saat* and even by the Court of Appeal in *AG of Hong Kong v Zauyah* clearly and adequately indicate that the remedy responds to multi-varied factual scenarios, adapting itself through time and to circumstances.

[145] The legal authors, MP Jain and SN Jain on *Principles of Administrative Law* (6th Ed 2007), pp 2330–2331, also support this view by writing that the expression 'legal character' in s 41 is 'of very broad import' and may include various rights of the plaintiff. All that is required is that the character, nature, status or position is one that is capable of being recognised in law. And, as we have seen, those conditions have all been adequately and satisfactorily met by the appellant. We cannot for any moment consider an argument that the right to use one's own name in one's goods is not at all a legal entitlement, or a right in law. It obviously is.

[146] Not only are the conditions in s 40(1)(a) of the TMA 1976 and s 41 of the SRA 1950 more than satisfactorily met, we would venture to say that it would be in the interest of justice and fairness that the appellant be entitled to use what is patently and obviously its own name in its own goods, and be granted the declaration of non-infringement. Compared to the respondent

whose name has no association to the goods, and who is not asserting the same protection or benefit save for that conferred by statute. And, as we have seen, that benefit or protection is specifically qualified. That interpretation and construction of the own name doctrine is the same as that taken in the major jurisdictions discussed; and we have no reason to differ. In any case, the TMA 1976 and common law allow for the existence of concurrent use of the same trade mark.

CONCLUSION

[147] For all the reasons discussed, the appellant is entitled to claim the benefit and entitlement under s 40(1)(a) of the TMA 1976 and have the court declared that benefit.

[148] We therefore allow the appeal with costs and set aside the decision of the High Court. We further order that a declaration as per para (2) in the originating summons be granted; that the use in good faith by the appellant does not infringe the respondent's trade marks, described in this appeal as defendant's registered Diesel Trade Marks, as it would be considered as use by the appellant of its own name and/or its own trade marks.

Appeal unanimously allowed, decision of High Court set aside and declaration sought granted.

Reported by Ashok Kumar